AUSLEY & MCMULLEN
ATTORNEYS AND COUNSELORS AT LAW
227 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

September 30, 2002

HAND DELIVERED

Ms. Blanca S. Bayo, Director
Division of Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

021012-EI

Re: Application of Tampa Electric Company for authority to issue and sell securities pursuant to Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code.

Dear Ms. Bayo:

Enclosed for filing in the above matter are the original and fifteen (15) copies of Tampa Electric Company's Application for Authority to Issue and Sell Securities.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Enclosures

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Tampa Electric Company for authority to issue and sell securities pursuant to Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code.	))))))	**DOCKET NO.** 021012-EI **Submitted for filing on September 30, 2002**

TAMPA ELECTRIC COMPANY'S

APPLICATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES

Tampa Electric Company ("Tampa Electric " or "the company ") files this, its Application under Section 366.04, Florida Statues and Rule 25-8.001, et seq., Florida Administrative Code, for authority to issue and/or sell securities for the company's fiscal period of twelve months ending December 31, 2003, and says:

1. The exact name of the company and the address of its principal business office are as follows: Tampa Electric Company, 702 North Franklin Street, Tampa, Florida, 33602.
2. The company, a Florida corporation, was incorporated in 1899 and was reincorporated in 1949.
3. The names and addresses of persons authorized to receive notices and communications with respect to this Application are as follows:

L. L. Willis J. D. Beasley Ausley & McMullen P. O. Box 391 Tallahassee, FL 32302	A. L. Llewellyn Administrator, Reg.Coordination Tampa Electric Company P. O. Box 111 Tampa, FL 33601

4. As of June 30, 2002, the date of the balance sheet submitted with this Application, the following information is shown for each class and series of capital stock and funded debt:

(a) Brief description	(b) Amount authorized (face value and number of shares)	(c) Amount outstanding (exclusive of any amount held in the treasury)	(d) Amount held as reacquired securities	(e) Pledged by applicant	(f) Amount owned by affiliated corporations	(g) Amount held in any fund
Common Stock	25,000,000 shares without par value	10 shares	None	None	10 shares	None
Preferred Stock	2,500,000 shares with no par value, 1,500,000 shares with $100 par value per share	None	None	None	None	None
Preference Stock - Subordinated Preferred Stock	2,500,000 shares with no par value	None	None	None	None	None
Funded Debt:						
Electric Division						
First Mortgage Bonds:						
6 1/8% Series, due 2003	$75,000,000	$75,000,000	None	None	None	None
7 3/4% Series, due 2022	75,000,000	75,000,000	None	None	None	None
Installment Contracts Payable:						
5 3/4% Series, due 2007	22,085,000	22,085,000	None	None	None	None
7 7/8% Series, due 2021	25,000,000	25,000,000	None	None	None	None
8 % Series, due 2022	100,000,000	100,000,000	None	None	None	None
Variable Rate Series, due 2025	51,605,000	51,605,000	None	None	None	None
Variable Rate Series, due 2018	54,200,000	54,200,000	None	None	None	None
Variable Rate Series, due 2020	20,000,000	20,000,000	None	None	None	None
6 1/4% Series, due 2034	85,950,000	85,950,000	None	None	None	None
5.85 % Series, due 2030	75,000,000	75,000,000	None	None	None	None
5.1 % Term Bonds, due 2013	60,685,000	60,685,000	None	None	None	None
5.5 % Term Bonds, due 2023	86,400,000	86,400,000	None	None	None	None
Unsecured Notes:						
5.86% Series, due 2002	100,000,000	100,000,000	None	None	None	None
6.875% Series, due 2012	210,000,000	210,000,000	None	None	None	None
Gas Division						
Senior Notes:						
10.35% Series, due 2007	5,000,000	5,000,000	None	None	None	None
10.33% Series, due 2008	6,400,000	6,400,000	None	None	None	None
10.30% Series, due 2009	7,800,000	7,800,000	None	None	None	None
9.93% Series, due 2010	8,000,000	8,000,000	None	None	None	None
8.00% Series, due 2012	27,500,000	27,500,000	None	None	None	None
Unsecured Notes:						
5.86% Series, due 2002	50,000,000	50,000,000	None	None	None	None
6.875% Series, due 2012	40,000,000	40,000,000	None	None	None	None
Total Funded Debt	**$1,185,625,000**	**$1,185,625,000**				

5. Statement of Proposed Transactions:

(a) The company seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by this Application. The company also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities.

The equity securities may take the form of preferred stock, preference stock, common stock, or options or rights with respect to the foregoing with such par values, terms and conditions, conversion and relative rights and preferences as may be permitted by the company's Restated Articles of Incorporation as the same may be amended to permit the issuance of any such securities.

The long-term debt securities may take the form of first mortgage bonds, debentures, notes, bank borrowings, convertible securities, installment contracts and/or other obligations underlying pollution control or sewage and solid waste disposal revenue bonds, or options, rights, interest rate swaps or other derivative instruments with respect to the foregoing with maturities ranging from nine months to one hundred years and may be issued in both domestic and international markets.

The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, including medium-term note issuance, public offering at competitive bidding, direct public or private sale, sale through agents, or distributions to security holders of the company or affiliated companies.

The short-term debt may take the form of commercial paper, short-term tax-exempt notes, or bank borrowings. Short-term debt sold in the commercial paper market may bear an interest rate as determined by the market price at the date of issuance and debt will mature not more than nine months from the date of issuance.

(b) The amount of all equity and long-term debt securities issued, sold, exchanged or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate $400 million during the period covered by this Application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt outstanding at any one time including bank borrowings will be $400 million.

(c) The present estimates of the interest rates for the aforementioned debt securities, based upon current trading levels of short-term debt and 10-year notes of the company are 2.0% and 6.0%, respectively. Actual dividend and interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

6. **Purpose of Issuance:**

Proceeds from any sale of securities will be added to the company's general funds and used for working capital requirements and for other general business purposes, including the financing of the company's capital investments or the acquisition of additional properties or businesses. The net proceeds received from the sale of securities may also be used for the repurchase or repayment of debt or equity securities of the company.

(a) Construction

Although the 2003 business plan is still preliminary, the electric division of the company currently estimates that construction expenditures during the twelve months ending December 31, 2003 may be $215 million. Estimates for specific, larger-scale non-recurring investments currently include:

Bayside-related construction	-	$66.0 million

Although the 2003 business plan is still preliminary, the gas division of the company currently estimates that construction expenditures during the twelve months ending December 31, 2003 to be $62 million. This projection is based on historical spending and does not necessarily reflect specific capital projects for 2003.

(b) Reimbursement of the Treasury

Among the general business purposes for which any net proceeds may be used is the reimbursement of the treasury for expenditures by the company against which securities will not have been issued in advance.

(c) Refunding Obligations

One of the purposes of issuing the securities referred to herein will be to repay previously issued short-term debt or bank borrowings, of the type described in Paragraph 5, which mature from time to time on a regular basis. Subject to market conditions, the company may refund such short-term debt or bank borrowings with new short-term debt or bank borrowings, long-term debt or preferred or preference stock.

In addition, the company is continuing to monitor and evaluate market conditions in anticipation of refunding or refinancing long-term obligations where it is legally and economically feasible to do so. Recognizing that changes in market conditions could make such refunding transactions feasible, the company is requesting authority to issue long-term debt and/or preferred or preference stock within a limitation that provides the company with sufficient flexibility to respond to refunding or refinancing opportunities.

7. The company submits that the proposed issuance and sale of securities is for lawful objectives within the corporate purposes of the company, is necessary for the proper performance by the company as a public utility, is compatible with the public interest and is reasonable, necessary and appropriate. In support thereof the company states that the proposed issuance

and sale of securities and the proposed application of funds derived therefrom, as described in paragraphs 5 and 6 above, are consistent with similar actions Tampa Electric in the past has found to be lawful, reasonable, necessary and appropriate for the conduct of its business. Tampa Electric further states that this application for authority to issue and sell securities is consistent in its objectives with those of applications the company has filed, and this Commission has found to be lawful, reasonable, necessary and appropriate, on numerous occasions in the past.

8. The names and addresses of counsel who will pass upon the legality of the proposed issuances are: Sheila M. McDevitt, Senior Vice President-General Counsel, TECO Energy, Inc., Tampa, Florida; Holland & Knight, Tampa, Florida; and/or Palmer & Dodge LLP, Boston, Massachusetts.

9. A Registration Statement with respect to each public offering of securities hereunder that is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 450 Fifth St. N.W., Washington, D.C. 20549.

10. There is no measure of control or ownership exercised by or over the company as to any other public utility except as noted below.

On April 14, 1981, the company's shareholders approved a restructuring plan under which the company and its subsidiaries became separate wholly owned subsidiaries of a holding company, TECO Energy, Inc., which is exempt from the requirements of registration as a holding company under the Public Utility Holding Company Act of 1935.

On June 16, 1997, TECO Energy, Inc., completed its merger with Lykes Energy, Inc. Concurrent with this merger, Lykes Energy, Inc.'s regulated gas distribution utility, Peoples Gas System, Inc., was merged with and into Tampa Electric Company and has since operated as the Peoples Gas division of the company.

On June 30, 1997, TECO Energy, Inc., completed its merger with West Florida Gas Inc. Concurrent with this merger, West Florida Gas Inc.'s regulated gas distribution utility, West Florida Natural Gas Company, was merged with and into Tampa Electric Company and has since operated as part of the Peoples Gas division.

TECO Power Services Corporation, also a subsidiary of TECO Energy, Inc., is engaged, through its subsidiaries or unconsolidated affiliates, in domestic and foreign independent power generation, transmission, and distribution.

Required Exhibits:

1. The following exhibits required by Rule 25-8.003, Florida Administrative Code, are either attached hereto or incorporated by reference herein and made a part hereof:

   (a) Exhibit A: Items 1-5 are being satisfied through the provision of financial statements identified in Item 6 below.

   6. (i) Attached as Exhibit A
      (ii) Attached as Exhibit B
      (iii) No amendments or changes to Exhibits A or B have been filed.

   (b) Exhibit B: Projected financial information (sources and uses of funds statement and construction budget)

WHEREFORE, Tampa Electric Company respectfully requests that the Commission enter its Order approving the company's request for authority to issue and sell during the twelve month period ending December 31, 2003.

DATED this 27th day of September, 2002.

TAMPA ELECTRIC COMPANY

By: ______________________
G. L. Gillette
Senior V.P. - Finance and Chief
Financial Officer
702 North Franklin Street
Tampa, Florida 33602
Post Office Box 111
Tampa, Florida 33601

Exhibit A

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

X Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2001

OR

__ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _________ to ________

Commission File Number 1-5007

TAMPA ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

FLORIDA	**59-0475140**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

TECO Plaza
702 N. Franklin Street
Tampa, Florida (Address of principal executive offices) — **33602** (Zip Code)

Registrant's telephone number, including area code: (813)228-4111

Securities registered pursuant to Section 12(b) of the Act: **NONE**

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES X NO __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of February 28, 2002 was zero.

As of February 28, 2002, there were 10 shares of the registrant's common stock issued and outstanding, all of which were held, beneficially and of record, by TECO Energy, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

None

The registrant meets the conditions set forth in General Instruction (I) (1) (a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format.

Index to Exhibits appears on page 41

PART I

Item 1. BUSINESS.

Tampa Electric Company (the company) was incorporated in Florida in 1899 and was reincorporated in 1949. As a result of a restructuring in 1981, the company became a wholly owned subsidiary of TECO Energy, Inc. (TECO Energy), a diversified energy-related holding company. In 1997, TECO Energy acquired Lykes Energy, Inc. As part of this acquisition, Lykes' regulated gas distribution utility was merged into the company and now operates as the Peoples Gas System division of Tampa Electric Company (Peoples Gas System or PGS).

Tampa Electric Company is a public utility operating within the state of Florida. Through its Tampa Electric division (Tampa Electric), it is engaged in the generation, purchase, transmission, distribution and sale of electric energy; through its Peoples Gas System division (PGS), it is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers wholly in the State of Florida.

Tampa Electric's retail electric service territory comprises an area of about 2,000 square miles in West Central Florida, including Hillsborough County and parts of Polk, Pasco and Pinellas Counties, and has an estimated population of over one million. Tampa Electric provides electric service to more than 575,000 customers. The principal communities served are Tampa, Winter Haven, Plant City and Dade City. In addition, Tampa Electric engages in wholesale sales to utilities and other resellers of electricity. It has three electric generating stations in or near Tampa, one electric generating station in southwestern Polk County, Florida and two electric generating stations (one of which is on long-term standby) located near Sebring, a city located in Highlands County in South Central Florida.

PGS, with more than 272,000 customers, has operations in Florida's major metropolitan areas. Annual natural gas throughput (the amount of gas delivered to its customers including transportation-only service) in 2001 was 1.1 billion therms.

Power Engineering & Construction, Inc. (PEC), a Florida corporation formed in late 1996, is a wholly owned subsidiary of Tampa Electric Company and is engaged in engineering and construction services with principal focus on power facilities not owned or operated by Tampa Electric. Operations of PEC in 2001 were not significant.

TAMPA ELECTRIC--Electric Operations

Tampa Electric had 2,823 employees as of Dec. 31, 2001, of which 984 were represented by the International Brotherhood of Electrical Workers (IBEW) and 298 by the Office and Professional Employees International Union (OPEIU).

In 2001, approximately 47 percent of Tampa Electric's total operating revenue was derived from residential sales, 29 percent from commercial sales, 9 percent from industrial sales and 15 percent from other sales including bulk power sales for resale.

The sources of electric operating revenue and megawatt-hour sales for 2001 were as follows:

Operating revenue (millions)	2001
Residential	$ 659.8
Commercial	409.7
Industrial-Phosphate	57.0
Industrial-Other	71.8
Other retail sales of electricity	103.0
Sales for resale	82.4
Other	29.0
	$1,412.7

Megawatt-hour Sales (thousands)	2001
Residential	7,594
Commercial	5,685
Industrial	2,329
Other retail sales of electricity	1,368
Sales for resale	1,499
	18,475

No significant part of Tampa Electric's business is dependent upon a single customer or a few customers, the loss of any one or more of whom would have a significantly adverse effect on Tampa Electric. IMC-Agrico, a large phosphate producer, is Tampa Electric's largest customer, representing less than 3 percent of Tampa Electric's 2001 base revenues.

Tampa Electric's business is not highly seasonal, but winter peak loads are experienced due to electric heating fewer daylight hours and colder temperatures, and summer peak loads are experienced due to use of air conditioning and other cooling equipment.

Regulation

The retail operations of Tampa Electric are regulated by the Florida Public Service Commission (FPSC), which has jurisdiction over retail rates, quality of service and reliability, issuances of securities, planning, siting and construction of facilities, accounting and depreciation practices, and other matters.

In general, the FPSC's pricing objective is to set rates at a level that allows the utility to collect total revenues (revenue requirements) equal to its cost of providing service, plus a reasonable return on invested capital.

The costs of owning, operating and maintaining the utility system, other than fuel, purchased power, conservation and certain environmental costs, are recovered through base rates. These costs include operation and maintenance expenses, depreciation and taxes, as well as a return on Tampa Electric's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base, which is intended to approximate Tampa Electric's weighted cost of capital, primarily includes its costs for debt, deferred income taxes at a zero cost rate and an allowed return on common equity. Base rates are determined in FPSC rate setting hearings which occur at irregular intervals at the initiative of Tampa Electric, the FPSC or other parties. See the discussion of the FPSC-approved agreements covering 1995 through 1999 in the **Utility Regulation -- Rate Stabilization** section on page 16.

Fuel, purchased power, conservation and certain environmental costs are recovered through levelized monthly charges established pursuant to the FPSC's cost recovery clauses. These charges, which are reset annually in an FPSC proceeding, are based on estimated costs of fuel, environmental compliance, conservation programs and purchased power and estimated customer usage for a specific recovery period, with a true-up adjustment to reflect the variance of actual costs from the projected charges. The FPSC may disallow recovery of any costs that it considers imprudently incurred.

Tampa Electric is also subject to regulation by the Federal Energy Regulatory Commission (FERC) in various respects, including wholesale power sales, certain wholesale power purchases, transmission services, and accounting and depreciation practices. See **Utility Regulation -- Regional Transmission Organization** section on page 17.

Federal, state and local environmental laws and regulations cover air quality, water quality, land use, power plant, substation and transmission line siting, noise and aesthetics, solid waste and other environmental matters. See **Environmental Compliance** on page 15.

TECO Transport sells transportation services, and TECO Power Services sells generating capacity and energy to Tampa Electric in addition to other third parties. The transactions between Tampa Electric and these affiliates and the prices paid by Tampa Electric are subject to regulation by the FPSC and FERC, and any charges deemed to be imprudently incurred may be disallowed for recovery from Tampa Electric's customers.

Competition

Tampa Electric's retail electric business is substantially free from direct competition with other electric utilities, municipalities and public agencies. At the present time, the principal form of competition at the retail level consists of natural gas and propane for residential and commercial customers and self-generation which is available to larger users of electric energy. Such users may seek to expand their options through various initiatives including legislative and/or regulatory changes that would permit competition at the retail level. Tampa Electric intends to take all appropriate actions to retain and expand its retail business, including managing costs and providing high-quality service to retail customers.

In 1999, the Federal Energy Regulatory Commission (FERC) approved a market-based sales tariff for Tampa Electric that allows Tampa Electric to sell excess power at market prices within Florida. The FERC had already approved market-based prices for interstate sales for Tampa Electric and the other investor-owned utilities (IOUs) operating in the state; however, Tampa Electric is the only IOU with intrastate market-based sales authority.

There is presently active competition in the wholesale power markets in Florida, and this is increasing largely as a result of the Energy Policy Act of 1992 and related federal initiatives. For independent power producers, this Act removed certain regulatory barriers and required utilities to transmit power from such producers, utilities and others to wholesale customers as more fully described below.

In April 1996, the FERC issued its Final Rule on Open Access Non-discriminatory Transmission, Standard Costs, Open Access Same-time Information System (OASIS) and Standards of Conduct. This rule works together to open access for wholesale power flows on transmission systems. Utilities such as Tampa Electric owning transmission facilities are required to provide services to wholesale transmission customers comparable to those they provide to themselves on comparable terms and conditions including price. Among other things, the rules require transmission services to be unbundled from power sales and owners of transmission systems must take transmission service under their own transmission tariffs.

FERC requires transmission system owners to implement an OASIS system providing, via the Internet, access to transmission service information (including price and availability) and to rely exclusively on their own OASIS system for such information for purposes of their own wholesale power transactions. To facilitate compliance, owners must implement standards of conduct to ensure that personnel involved in marketing wholesale power are functionally separated from personnel involved in transmission services and reliability functions. FERC's authority over this requirement was recently upheld by the Supreme Court. Tampa Electric, together with other utilities, has implemented an OASIS system and believes it is in compliance with the Standards of Conduct.

In December 1999, the FERC issued Order No. 2000, dealing with Regional Transmission Organizations (RTOs). This rule is driven by the FERC's continuing effort to effect open access to transmission facilities in large, regional markets. In FERC filings in October 2000 and December 2000, Tampa Electric agreed with the other IOUs operating in Florida to form an RTO to be known as GridFlorida LLC. As proposed, the RTO would independently control the transmission assets of the filing utilities, as well as other utilities in peninsular Florida that choose to join. The FERC tentatively approved GridFlorida in March 2001, but has not finally ruled on a May 2001 compliance filings of the applicants.

In May 2001, the FPSC questioned the prudence of the three filing utilities joining GridFlorida as conditionally approved by FERC. The three utilities requested and the FPSC granted the opening of an accelerated docket regarding the prudence of GridFlorida. In December 2001 the FPSC ruled that, while the three IOUs were prudent in their actions to set up GridFlorida, the FPSC was not satisfied with the transmission owning features of GridFlorida nor with the proposal that any of the filing utilities transfer ownership of their assets to GridFlorida. Accordingly, the FPSC ordered the three IOUs to file a revised version of GridFlorida which was filed in late March 2002. Tampa Electric plans to take an active role in monitoring and influencing the development of other possible RTOs in the southeast region.

Florida Governor Jeb Bush established the 2020 Energy Study Commission in 2000 to address several issues by December 2001, including current and future reliability of electric and natural gas supply, emerging energy supply and delivery options, electric industry competition, environmental impacts of energy supply, energy conservation and fiscal impacts of energy supply options on taxpayers and energy providers. The Study Commission completed its efforts and published its final report in December 2001. The Study Commission's final recommendations include, among other things, elimination of barriers to entry for merchant power generators, an open competitive wholesale electric market, transfer of regulated generating assets to unregulated affiliates or sale to others, Florida electric system reliability and consumer protection. A proposal is expected to be forwarded to the legislature by the Governor for possible action as early as the 2002 legislative session. It is unclear at this time if this proposed legislation would pass.

Fuel

Approximately 96 percent of Tampa Electric's generation for 2001 was coal-fired, with oil and natural gas each representing 2 percent. Tampa Electric used its generating units to meet approximately 84 percent of the system load requirements with the remaining 16 percent coming from purchased power. A slightly lower level of coal generation as a percentage of total generation is anticipated for 2002.

Tampa Electric's average delivered fuel cost per million BTU and average delivered cost per ton of coal burned for 2001 were as follows:

Average cost per million BTU:	2001
Coal	$ 2.06
Oil	$ 5.79
Gas (Natural)	$ 4.84
Composite	$ 2.19
Average cost per ton of coal burned	$47.53

Tampa Electric's generating stations burn fuels as follows: Gannon Station burns low-sulfur coal; Big Bend Station, which has sulfur dioxide scrubber capabilities, burns a combination of low-sulfur coal, petroleum coke and coal of a somewhat higher sulfur content; Polk Power Station burns high-sulfur coal, which is gasified and subjected to sulfur removal prior to combustion, natural gas and oil; Hookers Point Station burns low-sulfur oil; and Phillips Station burns oil of a somewhat higher sulfur content.

Coal. Tampa Electric used approximately 7.3 million tons of coal during 2001 and estimates that its coal consumption will be about 7.1 million tons for 2002. During 2001, Tampa Electric purchased approximately 44 percent of its coal under long-term contracts with five suppliers, and the remaining 56 percent in the spot market. During 2000, Tampa Electric purchased approximately 61 percent of its coal under long-term contracts with six suppliers, and 39 percent of its coal in the spot market or under intermediate-term purchase agreements. Tampa Electric expects to obtain approximately 60 percent of its coal requirements in 2002 under long-term contracts with five suppliers and the remaining 40 percent in the spot market. Tampa Electric's remaining long-term coal contracts provide for revisions in the base price to reflect changes in a wide range of cost factors and for suspension or reduction of deliveries if environmental regulations should prevent Tampa Electric from burning the coal supplied, provided that a good faith effort has been made to continue burning such coal.

In 2001, about 63 percent of Tampa Electric's coal supply was deep-mined, approximately 33 percent was surface-mined and the remainder was a processed oil by-product known as petroleum coke. Federal surface-mining laws and regulations have not had any material adverse impact on Tampa Electric's coal supply or results of its operations. Tampa Electric, however, cannot predict the effect of any future mining laws and regulations.

Oil. Tampa Electric had supply agreements through Dec. 31, 2002 for No. 2 fuel oil and No. 6 fuel oil for its Polk and Phillips stations, and its four combustion turbine units at prices based on Gulf Coast Cargo spot prices.

Natural Gas. As of December 2001, Tampa Electric had no gas contracts for the Polk 2 Unit as purchases were made on the spot market.

Franchises

Tampa Electric holds franchises and other rights that, together with its charter powers, give it the right to carry on its retail business in the localities it serves. The franchises give Tampa Electric rights to the use of rights of ways and other public property to place its facilities, and are irrevocable and not subject to amendment without the consent of Tampa Electric, although, in certain events, they are subject to forfeiture.

Florida municipalities are prohibited from granting any franchise for a term exceeding 30 years. All of the municipalities, except for the cities of Tampa and Winter Haven, have reserved the right to purchase Tampa Electric's property used in the exercise of its franchise if the franchise is not renewed; otherwise, based on judicial precedent, Tampa Electric is able to keep its facilities in place subject to reasonable rules and regulations imposed by the municipalities.

Tampa Electric has franchise agreements with 13 incorporated municipalities within its retail service area. These agreements have various expiration dates ranging from December 2005 to September 2021.

Franchise fees payable by Tampa Electric, which totaled $24.3 million in 2001, are calculated using a formula based primarily on electric revenues.

Utility operations in Hillsborough, Pasco, Pinellas and Polk Counties outside of incorporated municipalities are conducted in each case under one or more permits to use state or county rights-of-way granted by the Florida Department of Transportation or the county commissioners of such counties. There is no law limiting the time for which such permits may be granted by counties. There are no fixed expiration dates for the Hillsborough County and Pinellas County agreements. The agreements covering electric operations in Poke and Pasco counties expire in 2004 and 2033, respectively.

Environmental Matters

Tampa Electric Company is a party to a consent decree with the Environmental Protection Agency (EPA) and a consent final judgement with the U.S. Department of Justice, effective Oct. 5, 2000, and the Florida Department of Environmental Protection (FDEP) effective December 7, 1999. Pursuant to these consent decrees, allegations of violations of New Source Review requirements of the Clear Air Act were resolved, provision was made for environmental controls and pollution reductions, and Tampa Electric is committed to a comprehensive program that will dramatically decrease emissions from the company's power plants.

The emission reduction plan included specific detail with respect to the availability of the scrubbers and earlier incremental NOx reduction efforts on Big Bend Units 1, 2 and 3 and the repowering of the company's coal-fired Gannon Station to natural gas. Engineering for the repowering project began in January 2000, and Tampa Electric anticipates that commercial operation for the first repowered unit is expected by May 1, 2003. The repowering of the second unit is scheduled for completion by May 1, 2004. When these units are repowered, the station will be renamed the Bayside Power Station and will have total station capacity of about 1,800 megawatts (nominal) of natural gas-fueled electric generation.

In November 2000, the FPSC approved recovery, through the Environmental Cost Recovery Clause, of costs incurred to improve the availability and removal efficiency for Tampa Electric's Big Bend 1, 2 and 3 scrubbers, to reduce particulate matter emissions, and to reduce NOx emissions. The approved cost recovery for these various environmental projects through customers' bills started in January 2001.

Tampa Electric Company is one of several potentially responsible parties for certain superfund sites and, through its Peoples Gas System division, for certain superfund and former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, Tampa Electric Company estimates its ultimate financial liability at approximately $22 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet and are not expected to have a significant impact on customer prices.

Expenditures. During the five years ended Dec. 31, 2001, Tampa Electric spent $141.0 million on capital additions to meet environmental requirements. Tampa Electric spent an estimated $11.6 million in 2001 on environmental projects.

Environmental expenditures are estimated at $11.5 million for 2002, and $21.7 million during the years 2003 through 2006. Approximately half of the $21.7 million is for the development of technologies for further reduction of NOx emissions at Big Bend Station beginning in 2006. The balance of the estimated expenditures are for continued improvement of electrostatic precipitators for particulate matter emissions reductions, and continued improvements of the scrubber systems for SO2 reductions as required by the EPA consent decree.

To date Tampa Electric has spent approximately $26.1 million for compliance with the EPA consent decree at Big Bend Station for reduction of NOx and particulate matter emissions and to improve the scrubber systems to reduce SO2 emissions. Tampa Electric has also spent $260.2 million, excluding allowance for funds used during construction, (AFUDC), on projects leading to the repowering of the company's coal-fired Gannon Station to natural gas, to meet the EPA consent decree condition of eliminating coal firing at Gannon Station.

PEOPLES GAS SYSTEM--Gas Operations

Peoples Gas System, Inc. (PGS) operates as the Peoples Gas System division of Tampa Electric Company. PGS is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in the State of Florida.

PGS uses two interstate pipelines to receive gas for sale or other delivery to customers connected to its distribution system. PGS does not engage in the exploration for or production of natural gas. Currently, PGS operates a natural gas distribution system that serves over 272,000 customers. The system includes approximately 9,000 miles of mains and over 4,400 miles of service lines.

In 2001, the total throughput for PGS was 1.1 billion therms. Of this total throughput, 17 percent was gas purchased and resold to retail customers by PGS, 74 percent was third party supplied gas delivered for retail customers, and 9 percent was gas sold off-system. Industrial and power generation customers consumed approximately 67 percent of PGS' annual therm volume. Commercial customers used approximately 28 percent, with the balance consumed by residential customers.

While the residential market represents only a small percentage of total therm volume, residential operations generally comprise 23 percent of total revenues. New residential construction and conversions of existing residences to gas have steadily increased since the late 1980's.

Natural gas has historically been used in many traditional industrial and commercial operations throughout Florida, including production of products such as steel, glass, ceramic tile and food products. Gas climate control technology is expanding throughout Florida, and commercial/industrial customers, including schools, hospitals, office complexes and churches, are utilizing this technology.

Within the PGS operating territory, large cogeneration facilities utilize gas-fired technology in the production of electric power and steam. Over the past three years, the company has transported, on average, about 296 million therms annually to facilities involved in cogeneration.

Revenues and therms for PGS for 2001, are as follows:

(millions)	Revenues 2001	Therms 2001
Residential	$ 88.2	58.8
Commercial	163.6	308.9
Industrial	50.4	346.5
Power generation	11.6	403.5
Other revenues	39.1	-
Total	$352.9	1,117.7

PGS had 639 employees as of Dec. 31, 2001. A total of 89 employees in six of the company's 15 operating divisions are represented by various union organizations.

Regulation

The operations of PGS are regulated by the FPSC separate from the regulation of Tampa Electric's electric operations. The FPSC has jurisdiction over rates, service, issuance of securities, safety, accounting and depreciation practices and other matters.

In general, the FPSC sets rates at a level that allows a utility such as PGS to collect total revenues (revenue requirements) equal to its cost of providing service, plus a reasonable return on invested capital.

The basic costs of providing natural gas service, other than the costs of purchased gas and interstate pipeline capacity, are recovered through base rates. Base rates are designed to recover the costs of owning, operating and maintaining the utility system. The rate of return on rate base, which is intended to approximate PGS' weighted cost of capital, primarily includes its cost for debt, deferred income taxes at a zero cost rate, and an allowed return on common equity. Base rates are determined in FPSC proceedings which occur at irregular intervals at the initiative of PGS, the FPSC or other parties.

PGS recovers the costs it pays for gas supply and interstate transportation for system supply through the Purchased Gas Adjustment (PGA) clause. This charge is designed to recover the costs incurred by PGS for purchased gas, and for holding and using interstate pipeline capacity for the transportation of gas it sells to its customers. These charges are adjusted monthly based on a cap approved annually in an FPSC hearing. The cap is based on estimated costs of purchased gas and pipeline capacity, and estimated customer usage for a specific recovery period, with a true-up adjustment to reflect the variance of actual costs and usage from the projected charges for prior periods. For a description of the most recent adjustment, see the **Utility Regulation - Cost Recovery Clauses** section on 16.

In addition to its base rates and purchased gas adjustment clause charges for system supply customers, PGS customers (except interruptible customers) also pay a per-therm charge for all gas consumed to recover the costs incurred by PGS in developing and implementing energy conservation programs, which are mandated by Florida law and approved and supervised by the FPSC. PGS is permitted to recover, on a dollar-for-dollar basis, expenditures made in connection with these programs if it demonstrates that the programs are cost effective for its ratepayers.

In February 2000, the FPSC approved a rule that would require natural gas utilities to offer transportation-only service to all non-residential customers. See the **Utility Regulation - Utility Competition-Gas** section on page 17.

PGS had over 8,000 transportation customers as of Dec. 31, 2001. PGS continues to receive its base rate for distribution regardless of whether a customer decided to opt for transportation-only service, or continue bundled service. It is, therefore, not expected that unbundling will have an adverse effect on PGS' earnings in the future.

In addition to economic regulation, PGS is subject to the FPSC's safety jurisdiction, pursuant to which the FPSC regulates the construction, operation and maintenance of PGS' distribution system. In general, the FPSC has implemented this by adopting the Minimum Federal Safety Standards and reporting requirements for pipeline facilities and transportation of gas prescribed by the U.S. Department of Transportation in Parts 191, 192 and 199, Title 49, Code of Federal Regulations.

PGS is also subject to federal, state and local environmental laws and regulations pertaining to air and water quality, land use, noise and aesthetics, solid waste and other environmental matters.

Competition

PGS is not in direct competition with any other regulated distributors of natural gas for customers within its service areas. At the present time, the principal form of competition for residential and small commercial customers is from companies providing other sources of energy and energy services including fuel oil, electricity and in some cases propane. PGS has taken actions to retain and expand its commodity and transportation business, including managing costs and providing high quality service to customers. The NaturalChoice Transportation Service (NCTS) program that began in November 2000 is expected to improve the competitiveness of natural gas for commercial load.

Competition is most prevalent in the large commercial and industrial markets. In recent years, these classes of customers have been targeted by competing companies seeking to sell alternate fuels or transport gas through other facilities, thereby bypassing PGS facilities. Many of these competitors are larger natural gas marketers with a national presence. The FPSC has allowed PGS to adjust rates to meet competition for customers who use more than 100,000 therms annually.

Gas Supplies

PGS purchases gas from various suppliers depending on the needs of its customers. The gas is delivered to the PGS distribution system through two interstate pipelines on which PGS has reserved firm transportation capacity for further delivery by PGS to its customers.

Gas is delivered by Florida Gas Transmission Company (FGT) through more than 54 interconnections (gate stations) serving PGS' operating divisions. In addition, PGS' Jacksonville Division receives gas delivered by the South Georgia Natural Gas Company (South Georgia) pipeline through a gate station located northwest of Jacksonville.

Companies with firm pipeline capacity receive priority in scheduling deliveries during times when the pipeline is operating at its maximum capacity. PGS presently holds sufficient firm capacity to permit it to meet the gas requirements of its system commodity customers, except during localized emergencies affecting the PGS distribution system and on abnormally cold days.

Firm transportation rights on an interstate pipeline represent a right to use the amount of the capacity reserved for transportation of gas, on any given day. PGS pays reservation charges on the full amount of the reserved capacity whether or not it actually uses such capacity on any given day. When the capacity is actually used, PGS pays a volumetrically-based usage charge for the amount of the capacity actually used. The levels of the reservation and usage charges are regulated by FERC. PGS actively markets any excess capacity available on a day-to-day basis to partially offset costs, which are otherwise recovered through the Purchased Gas Adjustment Clause.

PGS procures natural gas supplies using base load and swing supply contracts with various suppliers along with spot market purchases. Pricing generally takes the form of either a variable price based on published indices, or a fixed price for the contract term.

Neither PGS nor any of the interconnected interstate pipelines have storage facilities in Florida. PGS occasionally faces situations when the demands of all of its customers for the delivery of gas cannot be met. In these instances, it is necessary that PGS interrupt or curtail deliveries to its interruptible customers. In general, the largest of PGS' industrial customers are in the categories that are first curtailed in such situations. PGS' tariff and transportation agreements with these customers give PGS the right to divert these customers' gas to other higher priority users during the period of curtailment or interruption. PGS pays these customers for such gas at the price they paid their suppliers, or at a published index price, and in either case pays the customer for charges incurred for interstate pipeline transportation to the PGS system.

Franchises

PGS holds franchise and other rights with approximately 90 municipalities throughout Florida. These include the cities of Jacksonville, Daytona Beach, Eustis, Fort Myers, Brooksville, Orlando, Tampa, St. Petersburg, Sarasota, Avon Park, Frostproof, Palm Beach Gardens, Pompano Beach, Fort Lauderdale, Hollywood, North Miami, Miami Beach, Miami, and Panama City. These franchises give PGS a right to occupy municipal rights-of-way within the franchise area. The franchises are irrevocable and are not subject to amendment without the consent of PGS, although in certain events, they are subject to forfeiture.

Municipalities are prohibited from granting any franchise for a term exceeding 30 years. Several franchises contain purchase options with respect to the purchase of PGS' property located in the franchise area, if the franchise is not renewed.

PGS' franchise agreements with the incorporated municipalities within its service area have various expiration dates ranging from September 2002 through April 2031; otherwise, based on judicial precedent, PGS is able to keep its facilities in place subject to reasonable rules and regulations imposed by the municipalities.

In March 2000, the franchise agreement between the city of Lakeland (City) and PGS expired. The City has initiated legal proceedings seeking a declaration of the city's rights to acquire the PGS facilities under the franchise. PGS has filed defenses and counter claims and several hearings have been held. While PGS believes it is best suited to serve the customers in the City, it cannot at this time predict the ultimate outcome of these proceedings. PGS is continuing to serve under substantially the same terms as contained in the franchise in the absence of other rules and regulations being adopted by the City. The Lakeland franchise contributed about $4.5 million of total revenue to PGS' results in 2001.

Franchise fees payable by PGS, which totaled $8.9 million in 2001, are calculated using various formulas which are based principally on natural gas revenues. Franchise fees are collected from only those customers within each franchise area.

Utility operations in areas outside of incorporated municipalities are conducted in each case under one or more permits to use state or county rights-of-way granted by the Florida Department of Transportation or the county commissioners of such counties. There is no law limiting the time for which such permits may be granted by counties. There are no fixed expiration dates and these rights are, therefore, considered perpetual.

Environmental Matters

PGS's operations are subject to federal, state and local statutes, rules and regulations relating to the discharge of materials into the environment and the protection of the environment generally that require monitoring, permitting and ongoing expenditures.

Tampa Electric Company is one of several potentially responsible parties for certain superfund sites and, through its Peoples Gas System division, for certain superfund and former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, Tampa Electric Company estimates its ultimate financial liability at approximately $22 million over the next 10 years. See the previous discussion in the **Environmental Matters** section of **Tampa Electric - Electric Division** on page 5.

Expenditures. During the five years ended Dec. 31, 2001, PGS has not incurred any material capital additions to meet environmental requirements, nor are any anticipated for 2002 through 2006.

Item 2. PROPERTIES.

The company believes that the physical properties are adequate to carry on its business as currently conducted. The properties are generally subject to liens securing long-term debt.

Electric Properties

At Dec. 31, 2001, Tampa Electric had five electric generating plants and four combustion turbine units in service with a total net winter generating capability of 3,899 megawatts, including Big Bend (1,825-MW capability from four coal units), Gannon (1,220-MW capability from six coal units), Hookers Point (90-MW capability from five oil units), Phillips (36-MW capability from two diesel units), Polk (315-MW capability from one integrated gasification combined cycle unit (IGCC) and four combustion turbine units located at the Big Bend, Polk and Gannon stations (357 MWs). Additionally, Tampa Electric has 56-

MW of generating capability from various distributive generation units located at Hookers Point and the City of Tampa. The capability indicated represents the demonstrable dependable load carrying abilities of the generating units during winter peak periods as proven under actual operating conditions. Units at Hookers Point went into service from 1948 to 1955, at Gannon from 1957 to 1967, and at Big Bend from 1970 to 1985. The Polk IGCC unit began commercial operation in September 1996. In 1991, Tampa Electric purchased two power plants (Dinner Lake and Phillips) from the Sebring Utilities Commission (Sebring). Dinner Lake (11-MW capability from one natural gas unit) and Phillips were placed in service by Sebring in 1966 and 1983, respectively. In March 1994, Dinner Lake Station was placed on long-term reserve standby.

Engineering for repowering Gannon Station began in 2000, (see **Environmental Matters** section on page 5), and the company anticipates that commercial operation for the first repowered unit will occur by May 1, 2003. The repowering of an additional unit is scheduled to be completed by May 1, 2004. When these units are repowered, the station will be renamed the Bayside Power Station. Total station capacity is expected to increase to about 1,800 megawatts.

Tampa Electric owns 186 substations having an aggregate transformer capacity of 17,216,269 KVA. The transmission system consists of approximately 1,210 pole miles of high voltage transmission lines, and the distribution system consists of 6,987 pole miles of overhead lines and 3,030 trench miles of underground lines. As of Dec. 31, 2001, there were 583,942 meters in service. All of this property is located in Florida.

All plants and important fixed assets are held in fee except that title to some of the properties is subject to easements, leases, contracts, covenants and similar encumbrances and minor defects, of a nature common to properties of the size and character of those of Tampa Electric.

Tampa Electric has easements for rights-of-way adequate for the maintenance and operation of its electrical transmission and distribution lines that are not constructed upon public highways, roads and streets. It has the power of eminent domain under Florida law for the acquisition of any such rights-of-way for the operation of transmission and distribution lines. Transmission and distribution lines located in public ways are maintained under franchises or permits.

Tampa Electric has a long-term lease for its office building in downtown Tampa which serves as headquarters for TECO Energy, Tampa Electric and numerous other TECO Energy subsidiaries.

Gas Properties

PGS' distribution system extends throughout the areas it serves in Florida, and consists of approximately 13,400 miles of pipe, including approximately 9,000 miles of mains and over 4,400 miles of service lines. Mains and service lines are maintained under rights-of-way, franchises or permits.

PGS' operating divisions are located in fourteen markets throughout Florida. While most of the operations, storage and administrative facilities are owned, a small number are leased.

Item 3. LEGAL PROCEEDINGS.

None

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

All of the company's common stock is owned by TECO Energy, Inc. and therefore, there is no market for the stock.

The company pays dividends substantially equal to its net income applicable to common stock to TECO Energy. Such dividends totaled $171.8 million in 2001 and $151.2 million for 2000. See Note C on page 30 for a description of restrictions on dividends on the company's common stock.

Item 7. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS.

The Management's Narrative Analysis of Results of Operations which follows contains forward-looking statements which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results to differ materially from those projected in these forward-looking statements include the following: general economic conditions, particularly those in Tampa Electric Company's service areas affecting energy sales; weather variations affecting energy sales and operating costs; potential competitive changes in the electric and gas industries, particularly in the area of retail competition; regulatory actions; commodity price changes affecting the competitive positions of both Tampa Electric and Peoples Gas System; and changes in and compliance with environmental regulations that may impose additional costs or curtail some activities. These factors are discussed more fully under "Investment Considerations" in TECO Energy Inc.'s Annual Report on Form 10-K for the year ended Dec. 31, 2001, and reference is made thereto.

CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition & Results of Operations are based on Tampa Electric Company's consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities. These estimates and judgements are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following critical accounting policies, among others discussed throughout the Management's Discussion and Analysis and the Notes to the Consolidated Financial Statements, affect the more significant judgments and estimates used in the preparation of Tampa Electric's consolidated financial statements.

Revenue Recognition

Tampa Electric Company's retail business and the prices charged to customers are regulated by the Florida Public Service Commission (FPSC); Tampa Electric's wholesale business is regulated by the Federal Energy Regulatory Commission (FERC) (see the **Utility Regulation** section). As a result, the regulated utilities qualify for the application of Financial Accounting Standard (FAS) 71, Accounting for the Effects of Certain Types of Regulation. This statement recognizes that the rate actions of a regulator can provide reasonable assurance of the existence of an asset and requires the capitalization of incurred costs that would otherwise be charged to expense where it is probable that future revenue will be provided to recover these costs. The impact of FAS 71 has been minimal in the experience of the regulated utilities, but when cost recovery is ordered over a period longer than a fiscal year, costs are recognized in the period that the regulatory agency recognizes them in accordance with FAS 71. The assumptions and judgments used by regulatory authorities continue to have an impact on the recovery of costs, the rate earned on invested capital and the timing and amount of assets to be recovered by rates.

Deferred Income Taxes

Tampa Electric uses the liability method in the measurement of deferred income taxes. Under the liability method, the company estimates its current tax exposure and assesses the temporary differences resulting from differing treatment of items, such as depreciation, for financial statement and tax purposes. These differences are reported as deferred taxes measured at current rates in the consolidated financial statements. The company then assesses the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent recovery of some portion or all of the deferred tax asset is not believed to be likely, establishes a valuation allowance.

At Dec. 31, 2001, Tampa Electric had deferred income tax assets of $136 million attributable primarily to property related items. The carrying value of the company's deferred income tax assets assumes that the company will be able to realize this asset as an offset to future income taxes payable. The company periodically reviews its deferred income tax assets and, to the extent it determines that recovery is not likely, increases its valuation reserve as a charge to income.

Impairment Testing

Tampa Electric periodically assess whether there has been a permanent impairment of its long-lived assets in accordance with FAS 121, Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of, and beginning in 2002, with FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Long-lived assets are tested for impairment periodically using a non-discounted cash flow test. Tests are also performed when industry, regulatory or other significant changes cause a change in the projected level of income or cash flow to be earned from an asset.

FAS 144 is discussed in the **Accounting Standards** section.

EARNINGS SUMMARY:

Net income for 2001 of $177.1 million increased almost than 7 percent from the prior year results of $166.3 million. This increase reflects good customer growth in the electric and gas divisions which were partially offset by higher operations, maintenance and depreciation expenses. In addition, allowance for funds used during construction (AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on the equity funds used for construction increased to $9.2 million compared with $2.3 million in 2000 at Tampa Electric, primarily from the Gannon to Bayside Units 1 and 2 repowering project.

Net income for 2000 of $166.3 million increased 15 percent from the prior year results of $144.9 million and 5 percent from the prior year results of $158.6 million before certain charges described in the **Non-Operating Items Affecting Net Income** section on page and 15. The increase reflects the strong revenue growth in 2000 and the charges in 1999 described in the **Non-Operating Items Affecting Net Income** section.

Contributions by Operating Division

(millions)	2001	Change	2000	Change	1999
Net income					
Tampa Electric	$154.0	6.6%	$144.5	4.1%	$138.8 (1)
Peoples Gas System	23.1	6.0%	21.8	10.1%	19.8
	177.1	6.5%	166.3	4.9%	158.6
Other Items Affecting Net Income	--	--	--	--	(13.7) (2)
Total	$177.1	6.5%	$166.3	14.8%	$144.9

(1) Excludes the $13.7 million in charges described in the **Non-Operating Items Affecting Net Income** section on page 15.
(2) Reflects the $13.7 million in charges described in the **Non-Operating Items Affecting Net Income** section on page 15.

OPERATING RESULTS

Tampa Electric - Electric Operations

Tampa Electric Results

Tampa Electric's net income increased almost 7 percent in 2001, reflecting good customer growth, slightly higher residential and commercial per-customer energy usage, and a favorable customer mix partially offset by higher operations, maintenance and depreciation expenses. In addition, AFUDC increased to $9.2 million compared with $2.3 million in 2000, primarily from the Gannon to Bayside Units 1 and 2 repowering project.

Tampa Electric's net income increased 4 percent in 2000, reflecting good customer growth, higher per-customer energy usage, a favorable customer mix and more normal weather, partially offset by higher operations and maintenance expense. In July 2000, Tampa Electric placed its new 180-megawatt combustion turbine Polk Unit 2 in service.

Summary of Operating Results

(millions)	2001	Change	2000	Change	1999
Revenues	$1,412.7	4.4%	$1,353.8	12.8%	$1,199.8(1)
Operating expenses	1,208.0	5.7%	1,142.8	13.7%	1,004.8
Operating income	$ 204.7	-3.0%	$ 211.0	8.2%	$ 195.0
Net Income	$ 154.0	6.6%	$ 144.5	4.1%	$ 138.8

(1) Includes $11.9 million of deferred revenues. This amount is before the $7.9 million deferred revenue benefit recognized under the regulatory agreements in place at that time related to the charge for tax settlements, described in the **Non-Operating Items Impacting Net Income** section.

Tampa Electric Operating Revenues

The economy in Tampa Electric's service area continued to grow in 2001, with increased employment from the local economy aided by corporate relocations and expansions. The Tampa metropolitan area's employment grew 2 percent in 2001, ranking it first for job growth among metropolitan areas in a study by the U.S. Department of Labor.

The economy slowed somewhat in the second half of the year as the U.S. economic slowdown impacted the area. The unemployment rate rose to 4.0 percent in December 2001, from a low of 2.4 percent in December 2000, compared to 5.7 percent for the State of Florida and 5.8 percent for the nation. This trend was accelerated by a marked slowdown in tourism-related businesses following September 11th. The impact on Tampa Electric's sales was minimal because the areas served are not as sensitive to changes in the tourist industry as some other areas of the state.

Retail megawatt sales rose 2 percent in 2001 primarily from increased residential and commercial sales from higher numbers of customers and slightly higher pre-customer usage. Combined residential and commercial customer growth was 2.8 percent with combined energy usage growing 2.9 percent.

Sales to the low-margin industrial customers in the phosphate industry declined 10.9 percent due to temporary facility closures during the year and the permanent closure of one facility. The phosphate industry experienced its second year of a worldwide slowdown due to over capacity and reduced usage. Late in the year there was an increase in demand from these customers as demand for phosphate fertilizers increased overseas and some previously idled facilities were returned to service. According to phosphate industry sources, the market is expected to improve modestly in 2002 with stable domestic prices and increased fertilizer demand primarily in China. Revenues from phosphate sales represented slightly less than 3 percent of base revenues in 2001 and 2000. Non-phosphate industrial sales increased in 2001 and 2000, primarily reflecting continued economic growth in the area.

Sales to other utilities for resale declined in 2001 primarily as a result of lower coal-fired generating unit availability due to higher planned maintenance outages.

Tampa Electric's 2000 operating revenues increased 13 percent from 3 percent customer growth, more normal winter weather and increased per-customer energy usage. The customer mix continued to shift toward higher margin residential and commercial customers in 2000. In 2000, combined residential and commercial megawatt sales increased 5 percent from the addition of more than 16,000 new customers and a return to more normal weather.

Based on expected growth reflecting continued population increases and business expansion, Tampa Electric expects retail energy sales growth of approximately 2.6 percent annually over the next five years, with combined energy sales growth in the residential and commercial sectors of more than 3 percent annually. Retail demand growth is expected to average 100 megawatts of capacity per year for the next five years.

These growth projections assume continued local area economic growth even in the current national economic climate, normal weather and certain other factors. (See **Investment Considerations** section in TECO Energy's 2001 10-K.)

Megawatt-Hour Sales (thousands)	2001	Change	2000	Change	1999
Residential	7,594	3.1%	7,369	5.8%	6,967
Commercial	5,685	2.6%	5,541	3.8%	5,336
Industrial	2,329	-2.6%	2,390	7.5%	2,224
Other	1,368	2.2%	1,338	4.7%	1,278
Total retail	16,976	2.0%	16,638	5.3%	15,805
Sales for resale	1,499	-41.5%	2,564	18.7%	2,160
Total energy sold	18,475	-3.8%	19,202	6.9%	17,965
Retail customers (average)	575.8	2.8%	560.1	3.0%	543.7

Tampa Electric Operating Expenses

Operating expenses increased 6 percent in 2001, reflecting higher fuel costs from higher coal prices, increased purchased power, costs due to lower unit availability, higher maintenance expenses associated with increased planned outages on coal-fired generating units, and higher depreciation from normal plant additions to serve increased numbers of customers.

Operating expenses increased 14 percent in 2000 reflecting increased costs associated with the Big Bend Units 1 and 2 flue gas desulfurization system placed in service in December 1999, the expiration of the Department of Energy (DOE) credits for Polk Unit 1 at the end of 1999, increased generating system maintenance to improve summer availability and costs associated with organizational streamlining. Costs associated with the flue gas desulfurization system are recovered through the Environmental Cost Recovery Clause (ECRC). (See the **Utility Regulation** section.)

Non-fuel operations and maintenance expenses in 2002 are expected to increase at a rate slightly above inflation primarily due to increased costs associated with health care benefits.

Operating Expenses (millions)	2001	Change	2000	Change	1999
Other operating expenses	$ 190.7	1.3%	$ 188.3	15.1%	$ 163.6
Maintenance	99.5	3.5%	96.1	10.3%	87.1
Depreciation	173.4	7.3%	161.6	9.5%	147.6
Taxes-federal and state income	83.4	1.1%	82.5	19.7%	68.9
Taxes, other than income	104.8	6.2%	98.7	-0.1%	98.8
Operating expenses	651.8	3.9%	627.2	10.8%	566.0
Fuel	346.5	7.1%	323.5	6.4%	304.0
Purchased power	209.7	9.2%	192.1	42.5%	134.8
Total fuel expense	556.2	7.9%	515.6	17.5%	438.8
Total operating expenses	$1,208.0	5.7%	$1,142.8	13.7%	$1,004.8

Depreciation expense increased in both 2001 and 2000 reflecting normal plant additions to serve the growing customer base and maintain generating system reliability. In addition, Polk Unit 2, a 180-megawatt combustion turbine placed in service in mid-2000, accelerated depreciation associated with coal-related assets at the Gannon Station, and a flue gas desulfurization system added in 1999 to serve Big Bend Units 1 and 2 have all increased depreciation.

Depreciation expense is projected to increase in 2002, as well as in the future, from normal plant additions, an additional combustion turbine at the Polk Power Station in 2002 and the first phase of the Gannon repowering project entering service in 2003. (See **Environmental Compliance** section.)

Fuel costs increased 7 percent in 2001 reflecting primarily increased coal costs during the year. Coal prices increased early in the year, as did oil and natural gas. Coal prices have since dropped from the peak prices experienced in the first quarter but remain above 2000 levels. Average coal costs, on a cents-per-million Btu basis, increased 7 percent in 2001 after a slight decrease in 2000.

Purchased power expense increased in 2001 due to lower unit availability, primarily the result of planned maintenance outages on base load generating units and unplanned outages during peak load periods. Purchased power expense increased in 2000 due to lower unit availability, primarily the result of a generator failure at Gannon Unit 6.

Nearly all of Tampa Electric's generation in the last three years has been from coal, and the fuel mix is expected to continue to be substantially comprised of coal until 2003 when the first of two repowered units at Bayside is scheduled to begin operating on natural gas. See the **Environmental Compliance** section. On a total energy supply basis, company generation accounted for 84 percent, 92 percent and 83 percent of the total system energy requirements in 2001, 2000 and 1999, respectively.

Peoples Gas System

Peoples Gas System Results

Peoples Gas System (PGS) is the largest investor-owned gas distribution utility in Florida, with about 70 percent of the investor-owned local distribution company market. It serves more than 272,000 customers in all of the major metropolitan areas of Florida.

PGS net income rose 6 percent in 2001 from 4 percent customer growth and increased gas transported for off-system sales. The high cost of gas earlier in 2001 had a negative impact on sales to larger interruptible and power generation customers, many of whom have the ability to switch to alternative fuels or to alter consumption patterns. In the second half of the year, the price differential between natural gas and alternative fuels once again favored natural gas, causing customers to return to natural gas as alternative fuels inventories were exhausted and contractual commitments expired.

PGS achieved net income growth of 10 percent in 2000 from customer growth, increased gas transported for off-system sales to electric power generators and interruptible customers and colder weather late in the year.

Historically the natural gas market in Florida has been under served with the lowest market penetration in the southeastern U.S. PGS is expanding its gas distribution system into areas of Florida not previously served and within areas currently served.

Summary of Operating Results (millions)	2001	Change	2000	Change	1999
Revenues	$ 352.9	12.2%	$ 314.5	24.9%	$ 251.7
Cost of gas sold	186.4	18.7%	157.0	45.8%	107.7
Operating expenses	129.7	4.9%	123.7	9.0%	113.5
Operating income	$ 36.8	8.9%	$ 33.8	10.8%	$ 30.5
Net Income	$ 23.1	6.0%	$ 21.8	10.1%	$ 19.8
Therms sold (millions) – by Customer Segment					
Residential	58.8	2.1%	57.6	10.6%	52.1
Commercial	308.9	5.8%	292.1	6.8%	273.5
Industrial	346.5	-7.4%	374.1	12.7%	331.9
Power Generation	403.5	-3.6%	418.6	3.3%	405.2
Total	1,117.7	-2.2%	1,142.4	7.5%	1,062.7
Therms sold (millions) – By Sales Type					
System Supply	292.2	-8.9%	320.6	6.9%	300.0
Transportation	825.5	0.4%	821.8	7.8%	762.7
Total	1,117.7	-2.2%	1,142.4	7.5%	1,062.7
Customers (thousands) - average	266.6	4.1%	256.2	3.9%	246.7

Residential and commercial therm sales increased again in 2001 from more than 4 percent residential customer growth and increased per-customer usage. Commercial therm sales increased primarily from increased per-customer use.

Residential therm sales increased in 2000, the result of 4 percent residential customer growth and cold weather late in the year. Commercial therm sales increased in 2000 reflecting good customer growth and a strong economy.

The actual cost of gas and upstream transportation purchased and resold to end-use customers is recovered through a Purchased Gas Adjustment (PGA) clause approved by the Florida Public Service Commission. The company files for mid-period adjustments to the PGA in times of gas price volatility, as was experienced in 2000 and early 2001.

In November 2000, PGS instituted its "NaturalChoice" program, which unbundles gas services for all non-residential customers, affording these customers the opportunity to purchase the commodity gas from any provider. The net result of this unbundling is a shift from commodity sales to transportation sales. Because commodity sales are included in operating revenues at the cost of the gas on a pass-through basis, there is no net financial impact to the company of transportation only sales. At year-end 2001, 8,000 customers had elected to take service under this program. Because PGS earns margins on the distribution of gas, but not on the commodity itself, this program is not expected to negatively impact PGS' results.

Operation and maintenance expenses were essentially unchanged from 2000 levels, while depreciation expense increased 8 percent, in line with the increased capital expenditures that have been made over the past several years to expand the system. Operating expenses increased in 2000, in line with customer growth and system expansion.

PGS expects to invest an average of $60 million for each of the next five years to grow the business and maintain system reliability. PGS expects increases in sales volumes and corresponding revenues in 2002, and continued customer additions and related revenues from the expansion efforts throughout the state.

These growth projections assume continued local area economic growth, normal weather and other factors.

NON-OPERATING ITEMS

Non-Operating Items Affecting Net Income

1999 Items

In 1999, Tampa Electric's results included charges totaling $18.3 million pretax ($13.7 million after tax) and consisted of the following:

Tampa Electric recorded a charge of $10.5 million ($6.4 million after tax) based on FPSC audits of its 1997 and 1998 earnings, which among other things, limited its regulatory equity ratio to 58.7 percent, a decrease of 91 basis points and 224 basis points from 1997's and 1998's ratios, respectively.

Tampa Electric also recorded a charge of $3.5 million after tax, representing management's estimate of additional expense to resolve the litigation filed by the United States Environmental Protection Agency.

A net after-tax charge, after recovery under the then current regulatory agreement totaling $3.8 million, was also recognized reflecting corporate income tax provisions and settlements related to prior years' tax returns.

Other Income (Expense)

Other income (expense) in 2001 increase to $4.1 million, primarily as a result of higher interest income on deferred recovery clause items and lower deferred revenue adjustments and branding expenses than 2000 levels. Other income (expense) in 1999 included charges of $3.5 million to provide for Tampa Electric's expected costs of settling an EPA lawsuit and $10.0 million for a regulatory decision limiting the utility's regulatory equity ratio to 58.7 percent for 1997 and 1998.

AFUDC was $6.6 million in 2001, $1.6 million in 2000, and $1.3 million in 1999. AFUDC is expected to increase to an estimated $20 million in 2002 and remain at that level in 2003, primarily reflecting Tampa Electric's growing investment in the Gannon to Bayside repowering.

Interest Charges

Interest charges were $75.1 million in 2001 compared to $80.1 million in 2000 and $77.4 million in 1999. The slight decline in 2001 was primarily because of lower short-term debt rates while higher borrowing levels and higher interest rates resulted in much of the increase in 2000. Interest expense in 1999 included a $12.7 million charge for income tax settlements and provisions as discussed in the **Non-Operating Items Affecting Net Income** section.

ENVIRONMENTAL COMPLIANCE

Tampa Electric Company is a party to consent decrees with the Environmental Protection Agency (EPA) and the U.S. Department of Justice, effective Oct. 5, 2000, and the Florida Department of Environmental Protection (FDEP) effective December 7, 1999. Pursuant to these consent decrees, allegations of violations of New Source Review requirements of the Clear Air Act were resolved, provision was made for environmental controls and pollution reductions, and Tampa Electric is committed to a comprehensive program that will dramatically decrease emissions from the company's power plants.

The emission reduction plan included specific detail with respect to the availability of the scrubbers and earlier incremental NOx reduction efforts on Big Bend Units 1, 2 and 3 and the repowering of the company's coal-fired Gannon Station to fire natural gas. Engineering for the repowering project began in January 2000, and Tampa Electric anticipates that commercial operation for the first repowered unit is expected by May 1, 2003. The repowering of the second unit is scheduled for completion by May 1, 2004. When these units are repowered, the station will be renamed the Bayside Power Station and will have total station capacity of about 1,800 megawatts (nominal) of natural gas-fueled electric generation.

In November 2000, the FPSC approved recovery through the Environmental Cost Recovery Clause of costs incurred to improve the availability and removal efficiency for Tampa Electric's Big Bend 1, 2 and 3 scrubbers, to reduce particulate matter emissions, and to reduce NOx emissions. The approved cost recovery for these various environmental projects through customers' bills started in January 2001.

Tampa Electric Company is one of several potentially responsible parties for certain superfund sites and, through its Peoples Gas System division, for certain superfund and former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, Tampa Electric Company estimates its ultimate financial liability at approximately $22 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet and are not expected to have a significant impact on customer prices.

UTILITY REGULATION

Rate Stabilization Strategy

Tampa Electric's objectives of stabilizing prices from 1996 through 1999 and securing fair earnings opportunities during this period were accomplished through a series of agreements entered into in 1996 with the Florida Office of Public Counsel (OPC) and the Florida Industrial Power Users Group (FIPUG), which were approved by the Florida Public Service Commission (FPSC). Prior to these agreements, the FPSC approved a plan submitted by Tampa Electric to defer certain 1995 revenues.

In general, under these agreements Tampa Electric was allowed to defer revenues in 1995 and 1996 during the construction of Polk Unit 1 and recognize these revenues in 1997 and 1998 after commercial operation of the unit. Other components of the agreements were a base rate freeze through 1999; refunds to customers totaling $50 million during the period October 1996 through December 1998, while Tampa Electric was allowed recovery of the capital costs incurred for the Polk Unit 1 Project.

As part of its series of agreements with OPC and FIPUG, Tampa Electric agreed to refund 60 percent of 1999 revenues that contributed to an ROE in excess of 12 percent, as calculated and approved by the FPSC.

In October 2000, the FPSC staff recommended a 1999 refund of $6.1 million including interest, to be refunded to customers beginning January 2001. OPC objected to certain interest expenses recognized in 1999 that were associated with prior tax positions and used to calculate the amount to be refunded. Following a review by the FPSC staff, the FPSC agreed in December 2000 that the original $6.1 million was to be refunded to customers. In February 2001, OPC protested the FPSC's refund decision. The protest claimed that the stipulations did not allow for the inclusion of the interest expenses on income tax positions in the refund calculations. The FPSC held hearings on the issue in August 2001 and upheld its decision that the original refund amount plus interest was appropriate under the agreements. In January 2002, the OPC filed a motion with the FPSC asking for reconsideration of its decision, alleging the FPSC relied on erroneous information. Tampa Electric will begin making refunds to customers when the decision can no longer be appealed.

The regulatory arrangements described above covered periods that ended on Dec. 31, 1999. Tampa Electric's rates and its allowed ROE range of 10.75 percent to 12.75 percent with a midpoint of 11.75 percent will continue in effect until such time as changes are occasioned by an agreement approved by the FPSC or other FPSC actions as a result of rate or other proceedings initiated by Tampa Electric, FPSC staff or other interest parties. Tampa Electric expects to continue earning within its allowed ROE range.

Cost Recovery Clauses

In February 2001, Tampa Electric notified the FPSC that it anticipated that the fuel factors approved in December 2000 for 2001 were understated by approximately $86 million due to significantly higher natural gas and oil prices and, accordingly, purchased power costs. In March 2001, the FPSC approved Tampa Electric's request to increase rates to cover the $86 million beginning in April 2001 and ending in December 2002.

In September 2001, Tampa Electric filed with the FPSC for approval of fuel and purchased power, capacity, environmental and conservation cost recovery clause rates for the period January 2002 through December 2002. In November, the FPSC approved Tampa Electric's requested changes. Accordingly, Tampa Electric's residential customer rate per 1,000-kilowatt hours increased by $6.18 to $93.34. These rates include projected costs associated with environmental projects required under the U.S. EPA Consent Decree and the FDEP Consent Final Judgment with Tampa Electric. They also include higher coal prices expected for 2002 and additional purchased power costs for 2001 and 2002, which reflect higher natural gas and oil prices and increases in the volumes of purchased power.

In January 2001, PGS notified the FPSC that it anticipated that its purchase gas adjustment factors approved in December 2000 for 2001 were understated by approximately $63 million due to significantly higher natural gas prices. In February 2001, the FPSC approved PGS' request to increase rates to cover the $63 million under-recovery beginning in March 2001. In April 2001, and again in June, PGS lowered the purchased gas adjustment factor as gas prices declined from their winter time highs.

Utility Competition: Electric

Tampa Electric's retail electric business is substantially free from direct competition with other electric utilities, municipalities and public agencies. At the present time, the principal form of competition at the retail level consists of self-generation available to larger users of electric energy. Such users may seek to expand their alternatives through various initiatives, including legislative and/or regulatory changes that would permit competition at the retail level. Tampa Electric intends to retain and expand its retail business by managing costs and providing high-quality service to retail customers.

There is presently active competition in the wholesale power markets in Florida, increasing largely as a result of the Energy Policy Act of 1992 and related federal initiatives. However, the Florida Power Plant Siting Act, which sets the state's electric energy/environmental policy and governs the building of new generation involving steam capacity of 75 megawatts or more, requires that applicants demonstrate that a plant is needed prior to receiving construction and operating permits.

In 2000, Florida Governor Jeb Bush established the 2020 Energy Study Commission to address the following issues by December 2001: current and future reliability of electric and natural gas supply; emerging energy supply and delivery options; electric industry competition; environmental impacts of energy supply; energy conservation and fiscal impacts of energy supply options on taxpayers and energy providers. TECO Energy has been supportive of the process.

The Study Commission submitted its final recommendation to Governor Bush in December 2001 which included, among other things elimination of barriers to entry for merchant power generators, an open competitive wholesale electric market, transfer of regulated generating assets to unregulated affiliates or sale to others, Florida electric system reliability and consumer protection. A proposal is expected to be forwarded to the legislature by the Governor for possible action as early as the 2002 legislative session. It is unclear at this time if this proposed legislation would pass.

Regional Transmission Organization (RTO)

In December 1999, the Federal Energy Regulatory Commission (FERC) issued Order No. 2000, dealing with RTOs. This rule is driven by the FERC's continuing effort to effect open access to transmission facilities in large, regional markets. The rule provides guidelines to utilities for joining RTOs by December 2001. These guidelines specify minimum characteristics and functions.

In anticipation of the FERC activity, the FPSC held workshops in 1999 to discuss transmission issues within peninsular Florida. Potentially affected parties and the FPSC agreed that a national one-size-fits-all approach is not appropriate. With the encouragement of the FPSC, Tampa Electric worked with utilities in the state and others to develop a peninsular Florida solution.

The activities resulted in the peninsular Florida investor-owned utilities making joint RTO filings at FERC in October and December 2000. In the filing, Tampa Electric agreed with the other Florida investor-owned utilities to form an RTO to be known as GridFlorida LLC. GridFlorida would independently control the transmission assets of the filing utilities, as well as other utilities in the region that choose to join. The RTO will be an independent, investor-owned organization that will have control of the planning and operations of the bulk power transmission systems of the utilities within peninsular Florida. In addition, GridFlorida was proposed to be a transmission company (or transco) that would own transmission assets. Tampa Electric planned to contribute its transmission assets to GridFlorida in exchange for a passive interest. The three filing utilities represent almost 80 percent of the aggregate net energy load in the region for the year 2000.

In March 2001, FERC conditionally approved GridFlorida, which led to a May 2001 compliance filing by the three filing utilities at FERC addressing the changes FERC required in their approval before GridFlorida could move ahead. FERC has not yet acted on this latest filing.

In May 2001, the FPSC questioned the prudence of the three filing utilities joining GridFlorida as conditionally approved by FERC. Upon the request of the three utilities, the FPSC granted the opening of an accelerated docket regarding the prudence of GridFlorida. Hearings were held in October 2001, and the FPSC was not satisfied with the transmission-owning features of the GridFlorida filing nor with the proposal that any of the filing utilities transfer ownership of their assets to GridFlorida. Accordingly, the FPSC ordered the companies to develop a new RTO model which was filed at the FPSC in late March 2002 that addresses its concerns. Tampa Electric plans to comply with the FPSC order while continuing to take an active role in monitoring and influencing the development of possible RTOs in the southeast region.

Utility Competition: Gas

Although Peoples Gas System is not in direct competition with any other regulated distributors of natural gas for customers within its service areas, there are other forms of competition. At the present time, the principal form of competition for residential and small commercial customers is from companies providing other sources of energy, including electricity.

In November 2000, PGS implemented its "NaturalChoice" program that offers unbundled transportation service to all non-residential customers. This means that non-residential customers can purchase commodity gas from a third party but continue to pay PGS for the transportation of the gas.

Competition is most prevalent in the large commercial and industrial markets. In recent years, these classes of customers have been targeted by companies seeking to sell gas directly, by transporting gas through other facilities, thereby bypassing PGS facilities. In response to this competition, various programs have been developed, including the provision of transportation services at discounted rates.

In general, PGS faces competition from other energy source suppliers offering fuel oil, electricity and in some cases propane. PGS has taken actions to retain and expand its commodity and transportation business, including managing costs and providing high-quality service to customers.

In March 2000, the franchise agreement between the city of Lakeland (City) and PGS expired. The city has initiated legal proceedings seeking a declaration of the City's rights to acquire the PGS facilities under the franchise. PGS has filed defenses and counterclaims and after a series of hearings the core issues of the case relating to the City's rights to purchase the system have still not been heard. Due to further motions and the potential for appeals, resolution through the courts is not expected for many months. While PGS believes it is best suited to serve these customers, it cannot at this time predict the ultimate outcome of these proceedings.

PGS is continuing to serve under substantially the same terms as contained in the franchise in the absence of other rules and regulations being adopted by the City. The Lakeland franchise contributed about $4.5 million of net revenue to PGS results in 2001.

FINANCING ACTIVITY:

In June 2001, Tampa Electric issued $250 million principal amount of 6.875% notes due on June 15, 2012. The notes are redeemable at the option of Tampa Electric, in whole or in part, from time to time, at a redemption price equal to the greater of 100% of the principal amount of the notes then outstanding to be redeemed or the sum of the present value of the remaining scheduled payments of principal and interest on the notes then outstanding to be redeemed, discounted at an adjusted treasury rate plus 25 basis points to the redemption date. Net proceeds of $248.9 million were used to repay short-term debt and for general corporate purposes.

In August 2000, Tampa Electric Company issued $150 million of remarketed notes, due 2015. The notes, which bear an initial coupon rate of 7.37% are subject to mandatory tender on Sept. 1, 2002, at which time they will be remarketed or redeemed. Net proceeds were $154.2 million, which included a premium paid to Tampa Electric by the remarketing agent for the right to purchase and remarket the notes in 2002. If this right is exercised, for the following 10 years the notes will bear interest at 5.75% plus a premium based on Tampa Electric Company's then-current credit spread above United States Treasury Notes with 10 years to maturity.

ACCOUNTING STANDARDS

Accounting for Derivative Instruments and Hedging

Effective Jan. 1, 2001, the company adopted Financial Accounting Standard (FAS) 133, Accounting for Derivative Instruments and hedging. The new standard requires the company to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in fair value of those instruments as either components of comprehensive income or in net income depending on the types of those instruments. At adoption, the company did not have any derivatives in place requiring FAS 133 treatment. Derivative and hedging activity in 2001 was insignificant.

Business Combinations, Goodwill and Other Intangible Assets

On June 30, 2001, the Financial Accounting Standards Board finalized FAS 141, Business Combinations, and FAS 142, Goodwill and Other Intangible Assets. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142 effective Jan.1, 2002, goodwill is no longer subject to amortization. Rather, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets will be required to be amortized over their useful lives. At Dec. 31, 2001, the company had no goodwill.

Accounting for Asset Retirement Obligations

In July 2001, the Financial Accounting Standards Board finalized FAS 143, Accounting for Asset Retirement Obligations, which requires the recognition of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is adjusted to its present value and the related capitalized charge is depreciated over the useful life of the asset. FAS 143 is effective for fiscal years beginning after June 15, 2002. The company is reviewing the impact that FAS 143 will have on its results.

Accounting for the Impairment or Disposal of Long-Lived Assets

In August 2001, the Financial Accounting Standards Board issued FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of a business, and supersedes FAS 121, Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of. FAS 144 is effective for fiscal years beginning after December 15, 2001. The company periodically assesses whether there has been a permanent impairment of its long-lived assets and certain intangibles held and used by the company in accordance with FAS 121, and beginning in 2002 with FAS 144. The company does not anticipate that the adoption of FAS 144 will have a significant impact on its financial statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Tampa Electric Company is exposed to changes in interest rates primarily as a result of its borrowing activities.

From time to time, Tampa Electric Company enters into futures, swaps and option contracts to moderate exposure to interest rate changes.

A hypothetical 10 percent increase in Tampa Electric Company's weighted average interest rate on its variable rate debt would not have a significant impact on Tampa Electric Company's pretax earnings over the next fiscal year.

A hypothetical 10 percent decrease in interest rates would not have a significant impact on the estimated fair value of Tampa Electric Company's long-term debt at Dec. 31, 2001.

Commodity Price Risk

Currently, at Tampa Electric and Peoples Gas System, commodity price increases due to changes in market conditions for fuel, purchased power and natural gas are recovered through cost recovery clauses, with no effect on earnings.

From time to time, Tampa Electric Company enters into futures, swaps and options contracts to limit exposure to gas price increases at the regulated natural gas utility. Derivative and hedging activity in 2001 was insignificant.

Tampa Electric Company does not currently use derivatives or other financial products for speculative purposes.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

All other financial statement schedules have been omitted since they are not required, are inapplicable or the required information is presented in the financial statements or notes thereto.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholder of Tampa Electric Company

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Tampa Electric Company and its subsidiaries, (a wholly owned subsidiary of TECO Energy, Inc.) at Dec. 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended Dec. 31, 2001, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
Jan. 11, 2002

CONSOLIDATED BALANCE SHEETS
(millions)
Assets

Dec. 31,	2001	2000
Property, Plant and Equipment, At Original Cost		
Utility plant in service		
Electric	$4,112.3	$4,054.1
Gas	699.4	632.1
Construction work in progress	404.4	150.1
	5,216.1	4,836.3
Accumulated depreciation	(2,014.8)	(1,931.3)
	3,201.3	2,905.0
Other property	8.2	8.3
	3,209.5	2,913.3
Current Assets		
Cash and cash equivalents	15.4	.7
Receivables, less allowance for uncollectibles	156.3	180.4
Inventories, at average cost		
Fuel	69.0	56.8
Materials and supplies	51.0	52.4
Prepayments	12.5	3.3
	304.2	293.6
Deferred Debits		
Unamortized debt expense	13.6	13.2
Deferred income taxes	136.2	124.3
Regulatory asset	63.6	62.3
Other	152.1	143.1
	365.5	342.9
	$3,879.2	$3,549.8

Liabilities and Capital

	2001	2000
Capital		
Common stock	$1,318.1	$1,148.1
Retained earnings	304.3	299.0
	1,622.4	1,447.1
Long-term debt, less amount due within one year	880.9	789.3
	2,503.3	2,236.4
Current Liabilities		
Long-term debt due within one year	156.1	55.2
Notes payable	249.0	231.2
Accounts payable	135.8	188.0
Customer deposits	86.3	82.4
Interest accrued	16.1	34.2
Taxes accrued	57.3	71.6
	700.6	662.6
Deferred Credits		
Deferred income taxes	441.6	424.5
Investment tax credits	31.6	36.1
Regulatory liability	65.3	72.4
Other	136.8	117.8
	675.3	650.8
	$3,879.2	$3,549.8

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
(millions)

Year ended Dec. 31,	2001	2000	1999
Operating Revenues			
Electric	$1,411.8	$1,352.9	$1,207.1
Gas	352.9	314.5	251.7
	1,764.7	1,667.4	1,458.8
Operating Expenses			
Operation			
Fuel	346.5	323.3	304.0
Purchased power	209.7	192.1	134.8
Natural gas sold	186.4	157.0	107.7
Other	249.1	246.3	217.2
Maintenance	103.2	99.9	90.4
Depreciation	201.3	187.4	170.7
Taxes-Federal and state income	97.7	95.8	81.7
Taxes-Other than income	129.3	120.8	118.9
	1,523.2	1,422.6	1,225.4
Operating Income	241.5	244.8	233.4
Other Income (Expense)			
Allowance for other funds used during construction	6.6	1.6	1.3
Other income (expense), net	4.1	--	(12.4)
	10.7	1.6	(11.1)
Income before interest charges	252.2	246.4	222.3
Interest Charges			
Interest on long-term debt	62.5	52.4	51.5
Other interest	15.2	28.4	26.4
Allowance for borrowed funds used during construction	(2.6)	(0.7)	(0.5)
	75.1	80.1	77.4
Net Income	$ 177.1	$ 166.3	$ 144.9

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

Year ended Dec. 31,	2001	2000	1999
Cash Flows from Operating Activities			
Net income	$ 177.1	$ 166.3	$ 144.9
Adjustments to reconcile net income to net cash			
Depreciation	201.3	187.4	170.7
Deferred income taxes	(1.9)	(39.4)	(15.7)
Investment tax credits, net	(4.5)	(4.4)	(4.6)
Allowance for funds used during construction	(9.2)	(2.3)	(1.8)
Deferred clause revenues (expenses)	(19.0)	(68.7)	(38.2)
Deferred revenue	--	--	11.9
Refund to customers	--	(13.2)	--
Other Items Affecting Net Income (See Note I)	--	--	18.3
Receivables, less allowance for uncollectibles	24.1	(33.3)	(4.3)
Inventories	(10.8)	13.0	10.6
Taxes accrued	(14.3)	40.7	22.2
Interest accrued	(18.1)	21.3	(8.2)
Accounts payable	(52.4)	24.3	(39.3)
Other	20.9	45.7	8.2
	293.2	337.4	274.7
Cash Flows from Investing Activities			
Capital expenditures	(499.3)	(349.3)	(306.4)
Allowance for funds used during construction	9.2	2.3	1.8
	(490.1)	(347.0)	(304.6)
Cash Flows from Financing Activities			
Proceeds from contributed capital from parent	170.0	105.0	17.0
Proceeds from long-term debt	250.0	154.5	--
Repayment of long-term debt	(54.4)	(84.1)	(3.8)
Net increase (decrease) in short-term debt	17.8	(40.0)	191.5
Dividends	(171.8)	(151.2)	(149.5)
	211.6	(15.8)	55.2
Net decrease in cash and cash equivalents	14.7	(25.4)	25.3
Cash and cash equivalents at beginning of year	0.7	26.1	.8
Cash and cash equivalents at end of year	$ 15.4	$ .7	$ 26.1

Supplemental Disclosure of Cash Flow Information

	2001	2000	1999
Cash paid during the year for:			
Interest	$ 85.3	$ 66.7	$ 62.5
Income taxes	$ 119.9	$ 98.4	$ 79.9

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(millions)

Year ended Dec. 31,	2001	2000	1999
Balance, Beginning of Year	$299.0	$283.9	$288.5
Add-Net income	177.1	166.3	144.9
	476.1	450.2	433.4
Deduct-			
Cash dividends on capital stock			
Common	171.8	151.2	149.5
	171.8	151.2	149.5
Balance, End of Year	$304.3	$299.0	$283.9

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CAPITALIZATION

		Capital Stock Outstanding Dec. 31, 2001		Cash Dividends Paid in 2001(1)	
($millions)	**Current Redemption Price**	**Shares**	**Amount(2)**	**Per Share**	**Amount(2)**
Common stock-Without par value					
25 million shares authorized	N/A	10	$1,318.1	N/A	$171.8

Preferred Stock-$100 Par Value
1.5 million shares authorized, none outstanding.
Preferred Stock - no Par
2.5 million shares authorized, none outstanding.
Preference Stock - no Par
2.5 million shares authorized, none outstanding.

(1) Quarterly dividends paid on Feb. 15, May 15, Aug. 15 and Nov. 15.
(2) Millions.

CONSOLIDATED STATEMENTS OF CAPITALIZATION (continued)

Long-Term Debt Outstanding at Dec. 31,	Due	2001	2000
Tampa Electric			
First mortgage bonds (issuable in series):			
7.75%	2022	$ 75.0	$ 75.0
6.125%	2003	75.0	75.0
Installment contracts payable(2):			
5.75%	2007	22.5	22.9
7.875% Refunding bonds(3)	2021	25.0	25.0
8% Refunding bonds(3)	2022	100.0	100.0
6.25% Refunding bonds(4)	2034	86.0	86.0
5.85%	2030	75.0	75.0
Variable rate: 1.45% for 2001 and 3.77% for 2000(1)	2025	51.6	51.6
Variable rate: 1.47% for 2001 and 3.90% for 2000(1)	2018	54.2	54.2
Variable rate: 1.52% for 2001 and 3.96% for 2000(1)	2020	20.0	20.0
Medium-term notes payable: 5.11% (1)	2001	--	38.0
Medium-term notes payable: 5.86% (1)(6)	2002	100.0	100.0
Medium-term notes payable: 6.875% (5)	2012	210.0	--
		894.3	722.7
Peoples Gas System			
Senior Notes (7)			
10.35%	2007	5.0	5.6
10.33%	2008	6.4	7.2
10.3%	2009	7.8	8.4
9.93%	2010	8.0	8.6
8.0%	2012	27.5	29.0
Medium-term notes payable: 5.11% (1)	2001	--	12.0
Medium-term notes payable: 5.86% (1)(6)	2002	50.0	50.0
Medium-term notes payable: 6.875% (5)	2012	40.0	--
		144.7	120.8
		1,039.0	843.5
Unamortized debt premium (discount), net		(2.0)	1.0
		1,037.0	844.5
Less amount due within one year(8)		156.1	55.2
Total long-term debt		$ 880.9	$ 789.3

(1) Composite year-end interest rate.
(2) Tax-exempt securities.
(3) Proceeds of these bonds were used to refund bonds with interest rates of 11.625% - 12.625%. For accounting purposes, interest expense has been recorded using blended rates of 8.28% - 8.66% on the original and refunding bonds, consistent with regulatory treatment.
(4) Proceeds of these bonds were used to refund bonds with an interest rate of 9.9% in February 1995. For accounting purposes, interest expense has been recorded using a blended rate of 6.52% on the original and refunding bonds, consistent with regulatory treatment.
(5) These notes are subject to redemption in whole or in part, at any time, at the option of the company.
(6) These notes are subject to mandatory tender on Sept. 1, 2002, at which time they will be redeemed or remarketed.
(7) These long-term debt agreements contain various restrictive covenants, including provisions related to interest coverage, maximum levels of debt to total capitalization and limitations on dividends.
(8) Of the amount due in 2002, $0.8 million may be satisfied by the substitution of property in lieu of cash payments.

CONSOLIDATED STATEMENTS OF CAPITALIZATION (continued)

Substantially all of the property, plant and equipment of the company is pledged as collateral. Maturities and annual sinking fund requirements of long-term debt for the years 2003, 2004, 2005 and 2006 are $81.5 million, $6.5 million, $6.7 million and $7.2 million, respectively. Of these amounts $.8 million per year for 2002 through 2005 may be satisfied by the substitution of property in lieu of cash payments.

At Dec. 31, 2001, total long-term debt had a carrying amount of $880.9 million and an estimated fair market value of $957.8 million. The estimated fair market value of long-term debt was based on quoted market prices for the same or similar issues, on the current rates offered for debt of the same remaining maturities, or for long-term debt issues with variable rates that approximate market rates, at carrying amounts. The carrying amount of long-term debt due within one year approximated fair market value because of the short maturity of these instruments.

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Basis of Accounting

Tampa Electric Company's regulated electric and gas operations maintain their accounts in accordance with recognized policies prescribed or permitted by the Florida Public Service Commission (FPSC). In addition, Tampa Electric maintains its accounts in accordance with recognized policies prescribed or permitted by the Federal Energy Regulatory Commission (FERC). These policies conform with generally accepted accounting principles in all material respects.

The impact of Financial Accounting Standard (FAS) No. 71, Accounting for the Effects of Certain Types of Regulation, has been minimal in the experience of the regulated utilities, but when cost recovery is ordered over a period longer than a fiscal year, costs are recognized in the period that the regulatory agency recognizes them in accordance with FAS 71. Also as provided in FAS 71, Tampa Electric has deferred revenues in accordance with the various regulatory agreements approved by the FPSC in 1995, 1996 and 1999. Revenues are recognized as allowed in 1998 and 1999 under the terms of the agreements.

The regulated utilities' retail business is regulated by the FPSC, and Tampa Electric's wholesale business is regulated by FERC. Prices allowed, with respect to Tampa Electric, by both agencies are generally based on the recovery of prudent costs incurred plus a reasonable return on invested capital.

The use of estimates is inherent in the preparation of financial statements in accordance with generally accepted accounting principles.

Revenues and Fuel Costs

Revenues include amounts resulting from cost recovery clauses that provide for monthly billing charges to reflect increases or decreases in fuel, purchased power, conservation and environmental costs for Tampa Electric and purchased gas, interstate pipeline capacity and conservation costs for Peoples Gas System. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over-recovery or under-recovery of costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as deferred credits, and under-recoveries of costs are recorded as deferred charges.

In 1994, Tampa Electric bought out a long-term coal supply contract, which would have expired in 2004, for a lump sum payment of $25.5 million. In February 1995, the FPSC authorized the recovery of the $25.5 million buy-out amount plus carrying costs through the Fuel and Purchased Power Cost Recovery Clause over the 10-year period beginning April 1, 1995. In each of the years 2001, 2000 and 1999, $2.7 million of buy-out costs were amortized to expense.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are billed.

The regulated utilities accrue base revenues for services rendered but unbilled to provide a closer matching of revenues and expenses.

Tampa Electric's objectives of stabilizing prices from 1996 through 1999 and securing fair earnings opportunities during this period were accomplished through a series of agreements entered into in 1996 with the Florida Office of Public Counsel (OPC) and the Florida Industrial Power Users Group (FIPUG), which were approved by the FPSC. Prior to these agreements, the FPSC approved a plan submitted by Tampa Electric to defer certain 1995 revenues.

In general, under these agreements Tampa Electric was allowed to defer revenues in 1995 and 1996 during the construction of Polk Unit 1 and recognize these revenues in 1997 and 1998 after commercial operation of the unit. Other components of the agreements were: a base rate freeze through 1999 and refunds to customers totaling $50 million during the period October 1996 through December 1998 while Tampa Electric was allowed recovery of the capital costs incurred for the Polk Unit 1 project.

As part of its series of agreements with OPC and FIPUG, Tampa Electric agreed to refund 60 percent of 1999 revenues that contributed to an ROE in excess of 12 percent, as calculated and approved by the FPSC.

In October 2000, the FPSC staff recommended that Tampa Electric's 1999 refund be $6.1 million including interest, to be refunded to customers beginning January 2001. OPC objected to certain Tampa Electric interest expenses recognized in 1999 that were associated with prior tax positions and used to calculate the amount to be refunded. Following a review by the FPSC staff, the FPSC agreed in December 2000 that the original $6.1 million was to be refunded to customers. On Feb. 7, 2001, OPC protested the FPSC's decision. The protest claimed that the stipulations did not allow for the inclusion of the interest expenses on income tax positions in the refund calculations. The FPSC held hearings on the issue in August 2001 and upheld its decision that the original refund amount plus interest was appropriate under the agreements. In January 2002, the OPC filed a motion with the FPSC asking for reconsideration of their decision alleging the FPSC relied on erroneous information. Tampa Electric will begin making refunds to customers when the decision can no longer be appealed.

The regulatory arrangements described above covered periods that ended on Dec. 31, 1999. Tampa Electric's rates and its allowed ROE range of 10.75 percent to 12.75 percent with a midpoint of 11.75 percent will continue in effect until such time as changes are occasioned by an agreement approved by FPSC or other FPSC actions as a result of rate or other proceedings initiated by Tampa Electric, FPSC staff or other interested parties. Tampa Electric expects to continue earning within its allowed

ROE.

Depreciation

The company provides for depreciation primarily by the straight-line method at annual rates that amortize the original cost, less net salvage, of depreciable property over its estimated service life. The provision for utility plant in service, expressed as a percentage of the original cost of depreciable property, was 4.2% for 2001, 4.1% for 2000 and 4.0% for 1999.

The original cost of utility plant retired or otherwise disposed of and the cost of removal less salvage are charged to accumulated depreciation.

Asset Impairment

In August 2001, the Financial Accounting Standards Board issued FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of a business, and supersedes FAS 121, Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of. FAS 144 is effective for fiscal years beginning after Dec. 15, 2001.

The company periodically assesses whether there has been a permanent impairment of its long-lived assets and certain intangibles held and used by the company, in accordance with FAS 121, and beginning in 2002 with FAS 144. The company does not anticipate that the adoption of FAS 144 will have a significant impact on its financial statements.

Reporting Comprehensive Income

In 1999, the company adopted FAS 130, Reporting Comprehensive Income. This standard requires that comprehensive income, which includes net income as well as certain changes in assets and liabilities recorded in common equity, be reported in the financial statements. The company has reported accumulated other comprehensive income in its Consolidated Statements of Common Equity. There were no components of comprehensive income other than net income for the years ended 2001 snd 2000.

Accounting for Asset Retirement Obligation

In July 2001, the Financial Accounting Standards Board finalized FAS 143, Accounting for Asset Retirement Obligations, which requires the recognition of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is adjusted to its present value and the related capitalized charge is depreciated over the useful live of the asset. FAS 143 is effective for fiscal years beginning after June 15, 2002. The company is reviewing the impact that FAS 143 will have on its results.

Deferred Income Taxes

The company utilizes the liability method in the measurement of deferred income taxes. Under the liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at current tax rates. Tampa Electric and PGS are regulated, and their books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates.

Investment Tax Credits

Investment tax credits have been recorded as deferred credits and are being amortized to income tax expense over the service lives of the related property.

Other Deferred Credits

Other deferred credits primarily include the accrued postretirement benefit liability and the pension liability.

Allowance for Funds Used During Construction (AFUDC)

AFUDC is a non-cash credit to income with a corresponding charge to utility plant, which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rate used to calculate AFUDC is revised periodically to reflect significant changes in Tampa Electric's cost of capital. The rate was 7.79% for 2001, 2000 and 1999. Total AFUDC for 2001, 2000 and 1999 was $9.2 million, $2.3 million and $1.8 million, respectively. The base on which AFUDC is calculated excludes construction work in progress, which has been included in rate base.

Accounting for Derivative Instruments and Hedging

Effective Jan. 1, 2001, the company adopted Financial Accounting Standard (FAS) 133, Accounting for Derivative Instruments and Hedging. The new standard requires the company to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in fair value of those instruments as either components of comprehensive income or in net income depending on the types of those instruments. At adoption, the company did not have any derivatives in place requiring FAS 133 treatment. Derivative and hedging activity in 2001 was insignificant.

B. Common Stock

The company is a wholly owned subsidiary of TECO Energy, Inc.

($ million)	Common Stock Shares	Common Stock Amount	Issue Expense	Total
Balance Dec. 31, 1998	10	$1,026.8	$(0.7)	$1,026.1
Contributed capital from parent	-	17.0	--	17.0
Balance Dec. 31, 1999	10	1,043.8	(0.7)	1,043.1
Contributed capital from parent	-	105.0	--	105.0
Balance Dec. 31, 2000	10	1,148.8	(0.7)	1,148.1
Contributed capital from parent	-	170.0	--	170.0
Balance Dec. 31, 2001	10	$1,318.8	$(0.7)	$1,318.1

C. Retained Earnings

Tampa Electric's first mortgage bonds and certain of PGS' long-term debt issues contain provisions that limit the dividend payment on the company's common stock. At Dec. 31, 2001, substantially all of the company's retained earnings were available for dividends on its common stock.

D. Pension Benefits

Tampa Electric is a participant in the comprehensive retirement plans of TECO Energy, including a non-contributory defined benefit retirement plan which covers substantially all employees. Benefits are based on employees' age, years of service and final average earnings. Effective April 1, 2000, the plan was amended to provide for benefits to be earned and payable substantially on a lump sum basis through an age and service credit schedule for eligible participants leaving the company on or after July 1, 2001. Other significant provisions of the plan, such as eligibility, definitions of credited service, final average earnings, etc., were largely unchanged. This amendment resulted in decreased pension expense of approximately $0.8 million and $2.0 million in 2001 and 2000, respectively, and a reduction of benefit obligation of $6.2 million and $14.4 million at Sept. 30, 2001 and 2000, respectively.

TECO Energy's policy is to fund the plan within the guidelines set by ERISA for the minimum annual contribution and the maximum allowable as a tax deduction by the IRS. About 60 percent of plan assets were invested in common stocks and 40 percent in fixed income investments at Sept. 30, 2001.

Amounts shown also include the unfunded obligations for the supplemental executive retirement plan, non-qualified, non-contributory defined benefit retirement plans available to certain senior management. TECO Energy reported $0.3 million and $2 million of comprehensive income in 2001 and 2000, respectively, and $5.5 million of comprehensive loss in 1999 related to adjustments to the minimum pension liability associated with the supplemental executive retirement plan.

In 2001, TECO Energy elected to change the measurement date for pension obligations and plan assets from Dec. 31 to Sept. 30. The effect of this accounting change is not material.

Components of net pension expense, reconciliation of the funded status and the accrued pension liability are presented below for TECO Energy consolidated.

Components of Net Pension Expense (millions)

	2001	2000	1999
Service cost (benefits earned during the period)	$ 11.2	$ 10.7	$ 12.9
Interest cost on projected benefit obligations	27.9	27.5	27.2
Expected return on plan assets	(42.0)	(40.8)	(34.6)
Amortization of:			
Transition asset	(1.1)	(1.0)	(0.9)
Prior service cost (benefit)	(0.5)	0.2	1.2
Actuarial (gain) loss	(4.4)	(5.6)	5.2
Pension expense	(8.9)	(9.0)	11.0
Special termination benefit charge	--	1.1	--
Additional amounts recognized	--	--	--
Net pension (benefit) expense recognized in the Consolidated Statements of Income (1)	$ (8.9)	$ (7.9)	$ 11.0

(1) Tampa Electric Company's portion was ($10.4) million, ($9.4) million and, $1.8 million for 2001, 2000 and 1999, respectively.

Reconciliation of the Funded Status of the Retirement Plan and the Accrued Pension Prepayment/(Liability) (millions)

	Dec. 31, 2001	Dec. 31, 2000
Net benefit obligation at prior measurement date	$379.9	$360.4
Change in benefit obligation due to:		
Service cost	11.2	10.7
Interest cost	27.9	27.5
Actuarial (gain) loss	(8.7)	17.8
Plan amendments	(6.2)	(14.4)
Special termination benefits	--	1.1
Gross benefits paid	(21.8)	(23.2)
Net benefit obligation at measurement date	382.3	379.9
Fair value of plan assets at prior measurement date	493.8	512.1
Change in plan assets due to:		
Actual return on plan assets	(43.7)	6.2
Employer contributions	2.1	1.6
Gross benefits paid (including expenses)	(24.2)	(26.1)
Fair value of plan assets at measurement date	428.0	493.8
Funded status at measurement date	45.7	113.9
Net contributions after measurement date	0.4	--
Unrecognized net actuarial gain	(44.0)	(127.8)
Unrecognized prior service benefit	(9.0)	(3.3)
Unrecognized net transition asset	(3.6)	(4.7)
Accrued pension liability at end of year	$(10.5)	$(21.9)

Assumptions Used in Determining Actuarial Valuations

	2001	2000
Discount rate to determine projected benefit obligation	7.5%	7.5%
Rates of increase in compensation levels	4.7%	4.7%
Plan asset growth rate through time	9%	9%

E. Other Postretirement Benefits

Tampa Electric Company currently provides certain postretirement health care and life insurance benefits for substantially all employees retiring after age 55 meeting certain service requirements. The company contribution toward health care coverage for most employees who retired after Jan. 1, 1990 and before July 1, 2001, is limited to a defined dollar benefit based on years of service. Effective April 1, 2000, the company adopted changes to this program for participants retiring from the company on or after July 1, 2001, after age 50 that meet certain service requirements. The company contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. The impact of this amendment, including a change in the company's commitment for future retirees combined with a grand fathering provision for current retired participants, resulted in a reduction in the benefit obligation of $1.4 million in 2001 and an increase of $22.9 million in 2000. Postretirement benefit levels are substantially unrelated to salary. Tampa Electric Company reserves the right to terminate or modify the plans in whole or in part at any time.

In 2001, Tampa Electric Company elected to change the measurement date for benefit obligations from Dec. 31 to Sept. 30. The effect of this accounting change is not material.

Components of Postretirement Benefit Cost (millions)

	2001	2000	1999
Service cost (benefits earned during the period)	$ 2.3	$ 2.0	$ 2.2
Interest cost on projected benefit obligations	8.4	7.0	5.2
Amortization of transition obligation (straight line over 20 years)	2.1	2.1	2.1
Amortization of prior service cost	1.7	1.5	0.5
Amortization of actuarial loss/(gain)	0.3	(0.2)	0.2
Special termination benefits	--	0.2	--
Additional amounts recognized	--	(0.2)	--
Net periodic Postretirement benefit expense	$14.8	$12.4	$10.2

Reconciliation of the Funded Status of the Postretirement Benefit Plan and the Accrued Liability (millions)

	Dec. 31, 2001	Dec. 31, 2000
Net benefit obligation at prior measurement date	$ 103.9	$ 71.1
Change in benefit obligation due to:		
Service cost	2.3	2.0
Interest cost	8.4	7.0
Plan participants' contributions	0.7	0.9
Special termination benefits	--	0.2
Actuarial loss	5.8	6.8
Plan amendments	(1.4)	21.5
Gross benefits paid	(4.9)	(5.6)
Net benefit obligation at measurement date	$ 114.8	$ 103.9
Fair value of plan assets at prior measurement date	--	--
Change in plan assets due to:		
Employer contributions	4.2	4.7
Plan participants' contributions	0.7	0.9
Gross benefits paid (including expenses)	(4.9)	(5.6)
Fair value of plan assets at measurement date	--	--
Funded status at measurement date	$(114.8)	$(103.9)
Net contributions after measurement date	1.2	--
Unrecognized net actuarial loss	12.2	6.6
Unrecognized prior service cost	22.0	25.1
Unrecognized net transition obligation	23.2	25.3
Accrued liability at end of year	$ (56.2)	$ (46.9)

Assumptions Used in Determining Actuarial Valuations

	2001	2000
Discount rate to determine projected benefit obligation	7.5%	7.5%

The assumed health care cost trend rate for medical costs prior to age 65 was 5.5% in 2001 and decreases to 5.0% in 2002 and thereafter. The assumed health care cost trend rate for medical costs after age 65 was 5.3% in 2001 and decreases to 5.0% in 2002 and thereafter.

A 1-percent increase in the medical trend rates would produce an 8-percent ($0.8 million) increase in the aggregate service and interest cost for 2001, and an 8-percent ($9.1 million) increase in the accumulated postretirement benefit obligation as of Sept. 30, 2001.

A 1-percent decrease in the medical trend rates would produce a 5-percent ($0.5 million) decrease in the aggregate service and interest cost for 2001 and a 4-percent ($4.8 million) decrease in the accumulated postretirement benefit obligation as of Sept. 30, 2001.

F. Short-term Debt

Notes payable consisted primarily of commercial paper with weighted average interest rates of 1.99% and 6.53% at Dec. 31, 2001 and 2000, respectively. The carrying amount of notes payable approximated fair market value because of the short maturity of these instruments. Unused lines of credit at Dec. 31, 2001 were $300 million. Certain lines of credit require commitment fees of .08% on the unused balances.

G. Income Tax Expense

The company is included in the filing of a consolidated Federal income tax return with its parent and affiliates. The company's income tax expense is based upon a separate return computation. Income tax expense consists of the following components:

(millions)	Federal	State	Total
2001			
Currently payable	$ 88.6	$ 15.7	$104.3
Deferred	(1.3)	(0.7)	(2.0)
Amortization of investment tax credits	(4.4)	-	(4.4)
Total income tax expense	$ 82.9	$ 15.0	97.9
Included in other income, net			0.2
Included in operating expenses			$ 97.7
2000			
Currently payable	$128.3	$ 11.4	$139.7
Deferred	(42.5)	3.1	(39.4)
Amortization of investment tax credits	(4.4)	-	(4.4)
Total income tax expense	$ 81.4	$ 14.5	95.9
Included in other income, net			0.1
Included in operating expenses			$ 95.8
1999			
Currently payable	$ 89.2	$ 12.4	$101.6
Deferred	(16.2)	.5	(15.7)
Amortization of investment tax credits	(4.6)	-	(4.6)
Total income tax expense	$ 68.4	$ 12.9	81.3
Included in other income, net			(0.4)
Included in operating expenses			$ 81.7

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of the company's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions)	Dec. 31, 2001	Dec. 31, 2000
Deferred tax assets(1)		
Property related	$ 106.1	$ 99.3
Leases	3.9	4.2
Insurance reserves	16.5	14.7
Early capacity payments	6.5	2.2
Other	3.2	3.9
Total deferred income tax assets	136.2	124.3
Deferred income tax liabilities(1)		
Property related	(461.2)	(436.3)
Other	19.6	11.8
Total deferred income tax liabilities	(441.6)	(424.5)
Accumulated deferred income taxes	$(305.4)	$(300.2)

(1) Certain property related assets and liabilities have been netted.

The total income tax provisions differ from amounts computed by applying the federal statutory tax rate to income before income taxes for the following reasons:

(millions)	2001	2000	1999
Net income	$177.1	$166.3	$144.9
Total income tax provision	97.9	95.9	81.3
Income before income taxes	$275.0	$262.2	$226.2
Income taxes on above at federal statutory rate of 35%	$ 96.2	$ 91.7	$ 79.1
Increase (decrease) due to			
State income tax, net of federal income tax	9.8	9.5	8.4
Amortization of investment tax credits	(4.5)	(4.4)	(4.6)
Equity portion of AFUDC	(2.3)	(0.5)	--
Other	(1.3)	(0.4)	(1.6)
Total income tax provision	$ 97.9	$ 95.9	$ 81.3
Provision for income taxes as a percent of income before income taxes	35.6%	36.6%	35.9%

H. Related Party Transactions (millions)

Net transactions with affiliates are as follows:

	2001	2000	1999
Fuel and interchange related, net	$162.8	$178.8	$126.9
Administrative and general, net	$ 24.7	$ 27.2	$ 18.6

Amounts due from or to affiliates of the company at year-end are as follows:

	2001	2000
Accounts receivable	$ 7.5	$ 14.3
Accounts payable	$ 13.0	$ 40.9

Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.

I. Other Non-Operating Items Affecting net Income

1999

The charges in 1999 totaled $18.3 million pretax ($13.7 million after tax) and consisted of the following:

Tampa Electric recorded a charge of $10.5 million ($6.4 million after tax) based on FPSC audits of its 1997 and 1998 earnings, which among other things, limited its regulatory equity ratio to 58.7 percent, a decrease of 91 basis points and 224 basis points from 1997's and 1998's ratios, respectively.

Tampa Electric also recorded a charge of $3.5 million after tax, representing management's estimate of additional expense to resolve the litigation filed by the United States Environmental Protection Agency.

A net after-tax charge, after recovery under the then current regulatory agreement totaling $3.8 million was also recognized reflecting corporate income tax provisions and settlements related to prior years' tax returns.

J. Commitments and Contingencies

Tampa Electric's capital investments are estimated to be $541 million in 2002 consisting of $330 million for the repowering project at the Gannon Station, $16 million in construction costs on Polk Unit 3 and $195 million to support system growth and generation reliability. Tampa Electric's estimated capital expenditures over the 2003-2006 period are projected to be $878 million, including $131 for the Gannon repowering project. At the end of 2001, Tampa Electric had outstanding commitments of about $453 million for the Gannon repowering project and Polk Unit 3.

Capital expenditures for PGS are expected to be about $62 million for 2002 and $242 million during the 2003 through 2006 period. Included in these amounts are approximately $42 million annually for projects associated with customer growth and system expansion. The remainder represents capital expenditures for ongoing maintenance and system safety.

Tampa Electric Company is one of several potentially responsible parties for certain superfund sites and, through its Peoples Gas System division, for certain superfund and former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, Tampa Electric Company estimates its ultimate financial liability at approximately $22 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet and are not expected to have a significant impact on customer prices.

K. Segment Information

Tampa Electric Company is a public utility operating within the state of Florida. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to more than 575,000 customers in West Central Florida. Its Peoples Gas System division is engaged in the purchase, distribution and marketing of natural gas for more than 272,000 residential, commercial, industrial and electric power generation customers in the State of Florida.

(millions)	Revenues	Net Income	Depreciation	Assets at Dec. 31,	Capital Expenditures for the Year
2001					
Tampa Electric	$1,412.7 (1)	$154.0	$173.4	$3,328.0	$426.3
Peoples Gas System	352.9	23.1	27.9	551.2	73.0
Other and eliminations	(0.9)	--	--	--	--
Tampa Electric Company	$1,764.7	$177.1	$201.3	$3,879.2	$499.3
2000					
Tampa Electric	$1,353.8 (1)	$144.5	$161.6	$3,014.2	$267.1
Peoples Gas System	314.5	21.8	25.8	535.6	82.2
Other and eliminations	(0.9)	--	--	--	--
Tampa Electric Company	$1,667.4	$166.3	$187.4	$3,549.8	$349.3
1999					
Tampa Electric	$1,199.8(1)(2)(3)	$138.8(4)	$147.6	$2,889.4	$228.7
Peoples Gas System	251.7	19.8	23.1	433.1	77.7
Other and eliminations	(0.6)	--	--	--	--
Non-Operating Items (see Note I)	7.9	(13.7)	--	--	--
Tampa Electric Company	$1,458.8	$144.9	$170.7	$3,322.5	$306.4

(1) Revenues from sales to affiliates were $31.8 million, $32.3 million and $24.1 million in 2001, 2000 and 1999, respectively.

(2) Revenues shown in 1999 include the reversal of previously deferred revenue of $11.9 million.

(3) Revenues and Operating income as shown for 1999 exclude a $7.9 million credit resulting from other non-operating items affecting net income. See Note I.

(4) Net income excludes non-operating items affecting net income totaling $13.7 million in 1999. See Note I.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

During the period Jan. 1, 2000 to the date of this report, the company has not had and has not filed with the Commission a report as to any changes in or disagreements with accountants on accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)
1. Financial Statements - See index on page 20.
2. Financial Statement Schedules - See index on page 20.
3. Exhibits - See index beginning on page 41.

(b) **Reports on Form 8-K**

Tampa Electric Company did not file any reports on Form 8-K during the last quarter of 2001.

(c) The exhibits filed as part of this Form 10-K are listed on the Exhibit Index immediately preceding such Exhibits. The Exhibit Index is incorporated herein by reference.

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
For the Years ended Dec. 31, 2001, 2000 and 1999
(millions)

	Balance at Beginning of Period	Additions		Deductions(1)	Balance at End of Period
		Charged to Income	Other Charges		
Allowance for Uncollectible Accounts:					
2001	$ 2.0	$ 7.2	$ --	$ 7.6	$ 1.6
2000	$ 1.1	$ 5.6	$ --	$ 4.7	$ 2.0
1999	$ 0.6	$ 5.7	$ --	$ 5.2	$ 1.1

(1) Write-off of individual bad debt accounts

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 28th day of March, 2001.

TAMPA ELECTRIC COMPANY

By R. D. FAGAN*
R. D. FAGAN, Chairman of the Board,
Director and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on March 28, 2001:

Signature	Title
R. D. FAGAN* R. D. FAGAN	Chairman of the Board, Director and Chief Executive Officer (Principal Executive Officer)
/s/ G. L. GILLETTE G. L. GILLETTE	Senior Vice President-Finance and Chief Financial Officer (Principal Financial Officer)
P. L. BARRINGER* P. L. BARRINGER	Vice President-Controller (Principal Accounting Officer)

Signature	Title	Signature	Title
C. D. AUSLEY* C. D. AUSLEY	Director	W. D. ROCKFORD* W. D. ROCKFORD	Director
S. L. BALDWIN* S. L. BALDWIN	Director	W. P. SOVEY* W. P. SOVEY	Director
J. L. FERMAN, JR.* J. L. FERMAN, JR.	Director	J. T. TOUCHTON* J. T. TOUCHTON	Director
L. GUINOT, JR.* L. GUINOT, JR.	Director	J. A. URQUHART* J. A. URQUHART	Director
I. D. HALL* I. D. HALL.	Director	J. O. WELCH, JR.* J. O. WELCH, JR.	Director
T. L. RANKIN* T. L. RANKIN	Director		

*By: /s/ G. L. GILLETTE
G. L. GILLETTE, Attorney-in-fact

Supplemental Information to Be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act

No annual report or proxy material has been sent to Tampa Electric Company's security holders, since all of its equity securities are held by TECO Energy, Inc.

INDEX TO EXHIBITS

4.21	Second Supplemental Indenture dated as of Aug. 15, 2000 between Tampa Electric Company and The Bank of New York (Exhibit 4.1, Form 8-K dated Aug. 22, 2000 of Tampa Electric Company).	*
4.22	Third Supplemental Indenture between Tampa Electric Company and The Bank of New York, dated as of June 15, 2001 (Exhibit 4.2, Form 8-K dated June 25, 2001 of Tampa Electric Company.).	*
4.23	Credit Agreement dated as of Nov. 14, 2001, between Tampa Electric Company as borrower, Citibank, N.A., as Administrative Agent, Solomon Smith Barney, Inc., as Co-Lead Arranger, Bank of New York, as Co-Lead Arranger and Syndication Agent, and JP Morgan Chase Bank, The Industrial Bank of Japan, and Toronto Dominion (Texas), Inc., as Co-Documentation Agents.	[]
10.1	TECO Energy Group Supplemental Executive Retirement Plan, as amended and restated as of July 1, 1998, as further amended as of July 15, 1998.	[]
10.2	TECO Energy Group Supplemental Retirement Benefits Trust Agreement as amended and restated as of Jan. 1, 1998m, as further amended as of July 15, 1998..	[]
10.3	Annual Incentive Compensation Plan for TECO Energy and subsidiaries, revised Jan. 20, 1999 (Exhibit 10.4, Form 10-K for 1998 of Tampa Electric Company).	*
10.4	TECO Energy, Inc. Group Supplemental Disability Income Plan, dated as of March 20, 1989 (Exhibit 10.19, Form 10-K for 1988 of Tampa Electric Company).	*
10.5	Forms of Severance Agreements between TECO Energy, Inc. and certain senior officers, as amended and restated as of Oct. 22, 1999. (Exhibit 10.5, Form 10-K for 1999 of Tampa Electric Company).	*
10.6	TECO Energy, Inc. 1991 Director Stock Option Plan as amended on Jan. 31, 1992 (Exhibit 10.20, Form 10-K for 1991 of Tampa Electric Company).	*
10.7	TECO Energy Directors' Deferred Compensation Plan, as amended and restated effective April 1, 1994 (Exhibit 10.1, Form 10-Q for the quarter ended March 31, 1994 of Tampa Electric Company).	*
10.8	TECO Energy Group Deferred Compensation Plan (previously the TECO Energy Group Retirement Savings Excess Benefit Plan0, as amended and restated effective as of Oct. 17, 2001.	[]
10.9	TECO Energy, Inc. 1996 Equity Incentive Plan, as amended April 18, 2001 (Exhibit 10.1, Form 10-Q for the quarter ended Mar. 31, 2001 of Tampa Electric Company.).	*
10.10	Form of Nonstatutory Stock Option under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 1996 of Tampa Electric Company).	*
10.11	Form of Amendment to Nonstatutory Stock Option, dated as of July 15, 1998, under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.3, Form 10-Q for the quarter ended Sept. 30, 1998 of Tampa Electric Company).	*
10.12	Form of Nonstatutory Stock Option under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.5, Form 10-Q for the quarter ended June 30, 1999 of Tampa Electric Company).	*
10.13	Form of Restricted Stock Agreement between TECO Energy, Inc. and certain officers under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 1998 of Tampa Electric Company).	*
10.14	Form of Amendment to Restricted Stock Agreements, dated as of July 15, 1998, between TECO Energy, Inc. and certain officers under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.2, Form 10-Q for the quarter ended Sept. 30, 1998 of Tampa Electric Company).	*
10.15	TECO Energy, Inc. 1997 Director Equity Plan (Exhibit 10, Form 10-Q for the quarter ended June 30, 1997 of Tampa Electric Company).	*
10.16	Form of Nonstatutory Stock Option under the TECO Energy, Inc. 1997 Director Equity Plan (Exhibit 10, Form 10-Q for the quarter ended June 30, 1997 of Tampa Electric Company).	*
10.17	Supplemental Executive Retirement Plan for R. D. Fagan as amended (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2001 of Tampa Electric Company).	*
10.18	Terms of R. D. Fagan's employment, dated as of May 24, 1999 (Exhibit 10.2, Form 10-Q for the quarter ended June 30, 1999 of Tampa Electric Company).	*
10.19	Severance Agreement between TECO Energy, Inc. and R. D. Fagan, as amended (Exhibit 10.2, Form 10-Q for the quarter ended June 30, 2001 of Tampa electric Company.).	*
10.20	Nonstatutory Stock Option granted to R. D. Fagan, dated as of May 24, 1999 (Exhibit 10.3, Form 10-Q for the quarter ended June 30, 1999 of Tampa Electric Company).	*
10.21	Restricted Stock Agreement between TECO Energy, Inc. And R. D. Fagan, dated as of May 24, 1999. (Exhibit 10.4, Form 10-Q for the quarter ended June 30, 1999 of Tampa Electric Company).	*
10.22	Form of Performance Shares Agreement between TECO Energy, Inc. and certain officers under the TECO Energy, Inc. 1996 Equity Incentive Plan (Exhibit 10.26, Form 10-Q for the quarter ended June 30, 2000 of Tampa Electric Company).	*

10.23	Form of Replacement Performances Shares Agreement between TECO Energy, Inc. and certain officers officers under the TECO Energy, Inc. 1996 Equity Incentive Plan. (Exhibit 10.1, Form 10-Q for the quarter ended June 30, 2000 of Tampa Electric Company).	*
10.24	Form of 2002 Amendment to TECO Performance Shares Agreement between TECO Energy, Inc., and certain officers under the TECO Energy, Inc. 1996 Equity Incentive Plan.	[ ]
12.	Ratio of earnings to fixed charges.	[ ]
23.	Consent of Independent Certified Public Accountants.	[ ]
24.1	Power of Attorney.	[ ]
24.2	Certified copy of resolution authorizing Power of Attorney.	[ ]

* Indicates exhibit previously filed with the Securities and Exchange Commission and incorporated herein by reference. Exhibits filed with periodic reports of Tampa Electric Company and TECO Energy, Inc. were filed under Commission File Nos. 1-5007 and 1-8180, respectively.

Certain instruments defining the rights of holders of long-term debt of Tampa Electric Company authorizing in each case a total amount of securities not exceeding 10 percent of total assets on a consolidated basis are not filed herewith. Tampa Electric Company will furnish copies of such instruments to the Securities and Exchange Commission upon request.

Executive Compensation Plans and Arrangements

Exhibits 10.1 through 10.24 above are management contracts or compensatory plans or arrangements in which executive officers or directors of TECO Energy, Inc. and its subsidiaries participate.

Exhibit 12

TAMPA ELECTRIC COMPANY

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the company's ratio of earnings to fixed charges for the periods indicated.

Year Ended December 31,				
2001	2000	1999	1998	1997
4.41x	4.14x	3.82x(1)	4.51x(2)	4.38x(3)

For the purposes of calculating these ratios, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

(1) Includes the effect of other non-operating, pretax items totaling $18.3 million. The effect of these items was to reduce the ratio of earnings to fixed charges. Had these items been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.61x for the year ended Dec. 31, 1999.

(2) Includes the effect of other non-operating, pretax items totaling $16.9 million. The effect of these items was to reduce the ratio of earnings to fixed charges. Had these items been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.66x for the year ended Dec. 31, 1998.

(3) Amounts have been restated to reflect the merger of Peoples Gas System, Inc., with and into Tampa Electric Company.

Exhibit 23

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 33-61636 and 333-55090) of Tampa Electric Company of our report dated Jan. 11, 2002, relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

Tampa, Florida
Mar. 28, 2002

Exhibit B-1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended Sept. 30, 2001

OR

___ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period _____ to _____

Commission File Number 1-5007

TAMPA ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

FLORIDA (State or other jurisdiction of incorporation or organization)	59-0475140 (I.R.S. Employer Identification Number)
702 N. Franklin Street, Tampa, Florida (Address of principal executive offices)	33602 (Zip Code)

Registrant's telephone number, including area code: **(813) 228-4111**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _

Number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date (Oct. 31, 2001):

Common Stock, Without Par Value 10

The registrant meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

Index to Exhibits Appears on Page 17

FORM 10-Q

PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments which are of a recurring nature and necessary to present fairly the financial position of Tampa Electric Company as of Sept. 30, 2001 and Dec. 31, 2000, and the results of operations and cash flows for the three- and nine-month periods ended Sept. 30, 2001 and 2000. The results of operations for the three- and nine-month periods ended Sept. 30, 2001 are not necessarily indicative of the entire fiscal year ending Dec. 31, 2001. Reference should be made to the explanatory notes affecting the income and balance sheet accounts contained in Tampa Electric Company's Annual Report on Form 10-K for the year ended Dec. 31, 2000 and to the notes on pages 7 through 9 of this report.

CONSOLIDATED BALANCE SHEETS
unaudited
(in millions)

	Sept. 30, 2001	Dec. 31, 2000
Assets		
Property, plant and equipment, at original cost		
Utility plant in service		
Electric	$ 4,091.2	$ 4,054.1
Gas	657.8	632.1
Construction work in progress	334.6	150.1
	5,083.6	4,836.3
Accumulated depreciation	(1,993.2)	(1,931.3)
	3,090.4	2,905.0
Other property	8.2	8.3
	3,098.6	2,913.3
Current assets		
Cash and cash equivalents	1.6	0.7
Receivables, less allowance for uncollectibles	207.4	180.4
Inventories, at average cost		
Fuel	78.5	56.8
Materials and supplies	52.0	52.4
Prepayments	11.0	3.3
	350.5	293.6
Deferred debits		
Unamortized debt expense	14.0	13.2
Deferred income taxes	128.0	124.3
Regulatory asset - tax related	62.7	62.3
Other	179.6	143.1
	384.3	342.9
	$ 3,833.4	$ 3,549.8
Liabilities and Capital		
Capital		
Common stock	$ 1,312.1	$ 1,148.1
Retained earnings	324.8	299.0
	1,636.9	1,447.1
Long-term debt, less amount due within one year	981.4	789.3
	2,618.3	2,236.4
Current liabilities		
Long-term debt due within one year	56.0	55.2
Notes payable	110.5	231.2
Accounts payable	137.6	188.0
Customer deposits	85.1	82.4
Interest accrued	25.9	34.2
Taxes accrued	129.2	71.6
	544.3	662.6
Deferred credits		
Deferred income taxes	440.1	424.5
Investment tax credits	32.7	36.1
Regulatory liability-tax related	67.0	72.4
Other	131.0	117.8
	670.8	650.8
	$ 3,833.4	$ 3,549.8

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
unaudited
(in millions)

For the three months ended Sept. 30,	2001	2000
Revenues		
Electric	$ 398.3	$ 391.6
Gas	70.6	72.0
	468.9	463.6
Operating expenses		
Operation		
Fuel	103.6	80.4
Purchased power	57.2	75.6
Natural gas sold	34.3	38.5
Other	60.8	56.6
Maintenance	22.4	20.6
Depreciation	49.6	46.8
Taxes-Federal and state income	34.0	33.8
Taxes-Other than income	31.9	29.6
	393.8	381.9
Operating Income	75.1	81.7
Other income		
Allowance for other funds used during construction	1.9	0.4
Other income, net	1.2	0.9
	3.1	1.3
Income before interest charges	78.2	83.0
Interest charges		
Interest on long-term debt	17.4	12.9
Allowance for borrowed funds used during construction	(0.8)	(0.2)
Other interest	2.2	12.3
	18.8	25.0
Net Income	$ 59.4	$ 58.0

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
unaudited
(in millions)

For the nine months ended Sept. 30,	**2001**	**2000**
Revenues		
Electric	$1,092.9	$1,024.2
Gas	287.0	230.1
	1,379.9	1,254.3
Operating expenses		
Operation		
Fuel	248.1	244.6
Purchased power	186.9	143.2
Natural gas sold	159.7	115.2
Other	186.0	174.8
Maintenance	76.3	80.1
Depreciation	148.6	135.6
Taxes-Federal and state income	81.0	77.7
Taxes-Other than income	100.7	91.0
	1,187.3	1,062.2
Operating Income	192.6	192.1
Other income		
Allowance for other funds used during construction	4.0	1.4
Other income, net	3.6	1.0
	7.6	2.4
Income before interest charges	200.2	194.5
Interest charges		
Interest on long-term debt	45.4	38.2
Allowance for other funds used during construction	(1.6)	(0.5)
Other interest	13.7	22.0
	57.5	59.7
Net Income	$ 142.7	$ 134.8

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
unaudited
(in millions)

For the nine months ended Sept. 30,	2001	2000
Cash flows from operating activities		
Net income	$ 142.7	$ 134.8
Adjustments to reconcile net income to net cash		
Depreciation	148.6	135.6
Deferred income taxes	7.2	(53.6)
Investment tax credits, net	(3.3)	(3.4)
Allowance for funds used during construction	(5.6)	(1.9)
Deferred recovery clause	(23.6)	(31.9)
Refund to customers	--	(3.8)
Receivables, less allowance for uncollectibles	(27.0)	(45.1)
Inventories	(21.3)	8.3
Taxes accrued	57.6	108.7
Interest accrued	(8.2)	23.7
Accounts payable	(50.5)	10.3
Other	(7.9)	25.6
	208.7	307.3
Cash flows from investing activities		
Capital expenditures	(335.4)	(248.1)
Allowance for funds used during construction	5.6	1.9
	(329.8)	(246.2)
Cash flows from financing activities		
Proceeds from contributed capital from parent	164.0	105.0
Proceeds from long-term debt	250.0	154.5
Repayment of long-term debt	(54.5)	(84.0)
Net increase (decrease) in short-term debt	(120.7)	(166.5)
Payment of dividends	(116.8)	(95.1)
	122.0	(86.1)
Net increase (decrease) in cash and cash equivalents	0.9	(25.0)
Cash and cash equivalents at beginning of period	0.7	26.1
Cash and cash equivalents at end of period	$ 1.6	$ 1.1

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. Tampa Electric Company (the company) is a wholly owned subsidiary of TECO Energy, Inc.

B. The company has made certain commitments in connection with its continuing construction program. Total construction expenditures during 2001 are estimated to be $423 million for its electric division (referred to as Tampa Electric) and $74 million for its natural gas division (referred to as Peoples Gas System or PGS).

The company is a potentially responsible party for certain superfund sites and, through Peoples Gas System, for certain former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, the company estimates its ultimate financial liability at approximately $22 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet, and are not expected to have a significant impact on customer prices.

C. **Contribution by operating division**
(in millions)

	Revenues	Net Income
Three Months Ended Sept. 30, 2001		
Tampa Electric	$ 398.5	$ 56.8
Peoples Gas System	70.6	2.6
	469.1	59.4
Other and eliminations	(0.2)	--
Tampa Electric Company	$ 468.9	$ 59.4
Three Months Ended Sept. 30, 2000		
Tampa Electric	$ 391.8	$ 54.6
Peoples Gas System	72.0	3.4
	463.8	58.0
Other and eliminations	(0.2)	--
Tampa Electric Company	$ 463.6	$ 58.0
Nine Months Ended Sept. 30, 2001		
Tampa Electric	$1,093.6	$ 125.4
Peoples Gas System	287.0	17.3
	1,380.6	142.7
Other and eliminations	(0.7)	--
Tampa Electric Company	$1,379.9	$ 142.7
Nine Months Ended Sept. 30, 2000		
Tampa Electric	$1,024.8	$ 118.9
Peoples Gas System	230.1	15.9
	1,254.9	134.8
Other and eliminations	(0.6)	--
Tampa Electric Company	$1,254.3	$ 134.8

D. The company adopted FAS 133, Accounting for Derivative Instruments and Hedging, effective Jan. 1, 2001. The standard requires the company to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in fair value of those instruments as either components of other comprehensive income (OCI) or in net income, depending on the types of those instruments. The company has completed the review and documentation of its derivative contracts, and found such activity has been minimal and relatively short-term in duration. Based on policies and procedures approved by the Board of Directors, from time to time, the company enters into futures, swaps and options contracts to limit exposure to gas price increases at PGS.

The company did not have any open derivatives or hedges at adoption of the standard that were subject to FAS 133 accounting. Amounts recorded in other comprehensive income at Sept. 30, 2001 related to FAS 133 were not material.

The company does not use derivatives or other financial products for speculative purposes. Management will continue to document all current, new and possible uses of derivatives, and develop procedures and methods for measuring them.

E. On June 25, 2001, the company issued $250 million principal amount of 6.875% Notes due June 15, 2012. The Notes are subject to redemption, in whole or in part, at any time, and at the option of the company, at a redemption price equal to the greater of 100% of the principal amount of the Notes then outstanding to be redeemed or the sum of the present value of the remaining scheduled payments of principal and interest on the Notes then outstanding to be redeemed, discounted at an adjusted treasury rate plus 25 basis points to the redemption date. Net proceeds were 98.928% of the principal amount. The proceeds were used to repay short-term debt and for general corporate purposes.

F. On June 30, 2001, the Financial Accounting Standards Board finalized FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142 effective Jan. 1, 2002, goodwill is no longer subject to amortization. Rather, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets will be required to be amortized over their useful lives.

The company does not have any recorded goodwill, and therefore does not expect adoption of FAS 142 to impact its results.

In July 2001, the Financial Accounting Standards Board finalized FAS 143, *Accounting for Asset Retirement Obligations*, which requires the recognition of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its present value and the related capitalized charge is depreciated over the useful life of the asset. FAS 143 is effective for fiscal years beginning after June 15, 2002. The company is currently reviewing the impact that FAS 143 will have on its results.

In August 2001 the Financial Accounting Standards Board issued FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of business. FAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The company is currently reviewing the impact that FAS 144 will have on its results.

G. On Oct. 24, 2001, Tampa Electric Company and the Florida Department of Environmental Protection (FDEP) resolved by consent order an alleged permit exceedance involving Tampa Electric's Polk Power Station. The Polk Power Station was developed as a demonstration project with the participation of the United States Department of Energy to demonstrate an innovative coal gasification fuel technology process. The by-product quantities (residues and unburnt coal) from the process have been higher than anticipated, resulting in on-site storage of quantities in excess of permit limits. The consent order provides for the payment of a $330,000 penalty, which was paid on Nov. 8, 2001.

In August 2001, Tampa Electric paid a $104,000 penalty to FDEP as a result of unanticipated delays in resolving the maintenance and repair response required pursuant to an April 10, 2001 consent order with FDEP, which related to solid waste and disposal facilities at Tampa Electric's Big Bend Station.

Item 2. Management's Narrative Analysis of Results of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results to differ materially from those projected in these forward-looking statements include the following: interest rates, debt levels, restrictive covenants and other factors that could impact Tampa Electric Company's ability to obtain access to sufficient capital on satisfactory terms; general economic conditions, particularly those in Tampa Electric's service area affecting energy sales; weather variations affecting energy sales and operating costs; the ability to operate equipment without undue breakdowns or failures; potential competitive changes in the electric and gas industries, particularly in the area of retail competition; regulatory actions affecting Tampa Electric and Peoples Gas System; commodity price changes affecting the competitive positions of Tampa Electric and Peoples Gas System; and changes in and compliance with environmental regulations that may impose additional costs or curtail some activities. Some of these factors are discussed more fully under "Investment Considerations" included as Exhibit 99.1 in TECO Energy's Quarterly Report on form 10-Q for the quarter ended June 30, 2001, and reference is made thereto.

Results of Operations

Three Months Ended Sept. 30, 2001:

The company's net income for the quarter ended Sept. 30, 2001 was $59.4 million, up from $58.0 million recorded for the three-month period ended Sept. 30, 2000. The company showed improved results from customer growth and higher residential and commercial sales. Operating expenses increased due to higher depreciation expense from normal plant additions and operations and maintenance expenses.

Electric division (Tampa Electric)

Tampa Electric's net income for the third quarter was $56.8 million, compared with $54.6 million for the same period in 2000. Tampa Electric showed improved results from customer growth and retail energy sales growth of about 3 percent. Sales to residential and commercial customers increased 3.3 percent to more than offset reduced sales to low-margin industrial phosphate customers. Operating expenses increased due to higher depreciation expense from normal plant additions and higher operations and maintenance expenses for generating unit maintenance. Allowance for funds used during construction (AFUDC) (or interest and allowed equity cost capitalized to construction) was $2.7 million and $0.6 million for the three months ended Sept. 30, 2001 and 2000, respectively. AFUDC is expected to increase over the next several years, reflecting Tampa Electric's generation expansion activities. A summary of the operating statistics for the three months ended Sept. 30, 2001 and 2000 follows.

(in millions, except average customers)	Operating Revenues			Kilowatt-hour sales		
Three Months Ended Sept. 30,	2001	2000	Change	2001	2000	Change
Residential	$199.8	$186.8	7.0%	2,313.0	2,251.0	2.8%
Commercial	114.4	104.9	9.1%	1,595.4	1,531.2	4.2%
Industrial - Phosphate	12.8	17.0	-24.7%	253.3	295.4	-14.3%
Industrial - Other	19.1	16.7	14.4%	311.7	275.1	13.3%
Other sales of electricity	28.1	25.0	12.4%	376.6	353.8	6.4%
Deferred and other revenues	(4.0)	1.4	--	--	--	--
	370.2	351.8	5.2%	4,850.0	4,706.5	3.0%
Sales for resale	18.9	32.0	-40.9%	299.0	764.2	-60.9%
Other operating revenue	9.4	8.0	17.5%	--	--	--
	$398.5	$391.8	1.7%	5,149.0	5,470.7	-5.9%
Average customers (thousands)	576.4	560.5	2.8%			
Retail output to line (kilowatt hours)				5,031.7	5,062.7	-0.6%

Natural Gas division (Peoples Gas System)

Peoples Gas System (PGS) reported net income of $2.6 million for the quarter, compared with $3.4 million for the same period last year. Quarterly results reflected higher operating and maintenance and depreciation expenses that were only partially offset by customer growth of almost 4 percent and higher residential and commercial sales. A summary of the operating statistics for the three months ended Sept. 30, 2001 and 2000 follows:

(in millions, except average customers)	Operating Revenues			Therms		
Three Months Ended Sept. 30,	2001	2000	Change	2001	2000	Change
By Customer Segment:						
Residential	$ 12.9	$ 12.5	3.2%	8.3	8.0	3.7%
Commercial	27.9	32.4	-13.9%	68.2	61.9	10.2%
Industrial	2.8	2.6	7.7%	54.5	59.2	-8.0%
Off system sales	15.9	14.5	9.7%	45.1	30.0	50.3%
Power generation	3.1	2.6	19.2%	131.4	126.4	4.0%
Other revenues	8.0	7.4	8.1%	--	--	--
	$ 70.6	$ 72.0	-1.9%	307.5	285.5	7.7%
By Sales Type:						
System supply	$ 46.8	$ 53.6	-12.7%	76.6	72.0	6.4%
Transportation	15.8	11.0	43.6%	230.9	213.5	8.1%
Other revenues	8.0	7.4	8.1%	--	--	--
	$ 70.6	$ 72.0	-1.9%	307.5	285.5	7.7%
Average customers (thousands)	263.5	254.3	3.6%			

Non-operating Items

Total interest charges were $18.8 million for the three months ended Sept. 30, 2001, compared to $25.0 million for the same period in 2000. Financing costs were higher for the third quarter of 2001, reflecting higher borrowing levels. Third quarter 2000 interest charges included a pretax charge of $7.4 million for interest associated with income tax disputes.

Nine Months Ended Sept. 30, 2001:

The company's net income for the nine months ended Sept. 30, 2001 was $142.7 million, up from $134.8 million recorded for the same period last year. The 6-percent increase year-to-date reflected the continued strong customer growth in the retail electric and gas businesses. Increased revenues were somewhat offset by higher depreciation due to normal plant growth, and higher operation and maintenance expenses at Tampa Electric.

Electric division (Tampa Electric)

Tampa Electric's year-to-date net income was $125.4 million, compared with $118.9 million for the same period last year, reflecting customer growth and higher retail energy sales as a result of a growing local economy and favorable winter weather. AFUDC associated with the repowering of the Gannon Station increased to $5.6 million from $1.9 million for the same period last year. Operating expenses, excluding recoverable fuel and purchased power, increased primarily due to higher depreciation from normal plant additions and generating unit maintenance. A summary of the operating statistics for the nine months ended Sept. 30, 2001 and 2000 follows:

(in millions, except average customers)	Operating Revenues			Kilowatt-hour sales		
Nine Months Ended Sept. 30,	2001	2000	Change	2001	2000	Change
Residential	$ 516.4	$ 468.3	10.3%	5,985.6	5,661.3	5.7%
Commercial	309.5	282.1	9.7%	4,315.3	4,169.1	3.5%
Industrial - Phosphate	46.0	47.0	-2.1%	931.5	970.6	-4.0%
Industrial - Other	53.7	47.2	13.8%	872.2	814.7	7.1%
Other sales of electricity	77.0	70.6	9.1%	1,027.7	999.8	2.8%
Deferred and other revenues	(3.6)	5.2	--	--	--	--
	999.0	920.4	8.5%	13,132.3	12,615.5	4.1%
Sales for resale	67.0	81.0	-17.3%	1,269.9	1,910.2	-33.5%
Other operating revenue	27.6	23.4	17.9%	--	--	--
	$1,093.6	$1,024.8	6.7%	14,402.2	14,525.7	-0.9%
Average customers (thousands)	573.8	558.1	2.8%			
Retail output to line (kilowatt hours)				13,729.0	13,477.5	1.9%

Natural Gas division (Peoples Gas System)

PGS reported almost 9 percent higher year-to-date net income of $17.3 million, compared to $15.9 million last year, reflecting continuing customer growth and higher residential and commercial usage early in the year as a result of favorable winter weather. Decreased volumes for low-margin transportation of gas for electric power generators, interruptible customers and off-system sales earlier in the year reflected the higher cost of gas for customers who have the ability to switch to alternate fuels or alter consumption patterns. The price differential between natural gas and alternative fuels currently favors natural gas. Customers are returning to natural gas as alternative fuel inventories are exhausted and contractual commitments expire. A summary of the operating statistics for the nine months ended Sept. 30, 2001 and 2000 follows:

(in millions, except average customers)	Operating Revenues			Therms		
Nine Months Ended Sept. 30,	2001	2000	Change	2001	2000	Change
By Customer Segment:						
Residential	$ 72.5	$ 51.5	40.8%	46.8	41.7	12.2%
Commercial	135.6	103.6	30.9%	231.4	213.7	8.3%
Industrial	9.6	9.7	-1.0%	179.6	211.6	-15.1%
Off system sales	29.0	34.8	-16.7%	70.7	89.5	-21.0%
Power generation	8.8	8.1	8.6%	317.8	338.1	-6.0%
Other revenues	31.5	22.4	40.6%	--	--	--
	$287.0	$230.1	24.7%	846.3	894.6	-5.4%
By Sales Type:						
System supply	$209.9	$172.3	21.8%	220.6	255.3	-13.6%
Transportation	45.6	35.4	28.8%	625.7	639.3	-2.1%
Other revenues	31.5	22.4	40.6%	--	--	--
	$287.0	$230.1	24.7%	846.3	894.6	-5.4%
Average customers (thousands)	265.3	255.1	4.0%			

Non-operating Items

Total interest charges were $57.5 million for the nine months ended Sept. 30, 2001, compared to $59.7 million for the same period in 2000. Financing costs for 2001 were higher reflecting higher borrowing levels. The 2000 interest charges included a pretax charge of $7.4 million recorded at Tampa Electric for interest associated with income tax disputes.

Recent Developments

In September 2001, Tampa Electric along with the other Florida investor-owned utilities (IOUs) filed with the Florida Public Service Commissioner (FPSC) for approval of rates under the various cost recovery clauses for the period January 2002 through December 2002. This filing includes the impacts of Tampa Electric's mid-course correction filed in February 2001 when Tampa Electric filed with the FPSC for approval of a mid-course correction to increase its fuel cost recovery factors due to significantly higher oil and natural gas prices and purchase power costs. The FPSC has hearings scheduled for November 2001 to address these issues.

As previously reported, Tampa Electric, Florida Power and Light, and Florida Power Corporation (collectively, Applicants), in compliance with the Federal Energy Regulatory Commission's (FERC) Order No. 2000, submitted to FERC an application to form a regional transmission organization (RTO) to be known as GridFlorida. On March 28, 2001, FERC granted "provisional" approval of the proposal for GridFlorida. This approval was conditional upon the Applicants making a subsequent compliance filing by May 29, 2001, implementing certain changes described in the order.

In early May, the Staff of the Florida Public Service Commission (FPSC) recommended that the FPSC examine the prudence of the Applicants' decision to join an RTO, in general, and to form and participate in GridFlorida, in particular. The FPSC Staff asserted that FERC Order No. 2000 does not require participation and, therefore, each company's decision must be evaluated and associated costs and benefits to ratepayers must be quantified.

The issues raised by the FPSC process create uncertainty with respect to the Applicants' actions to comply with Order No. 2000. Because the resolution of these issues is critical to the continued formation of GridFlorida, the Applicants decided to suspend their RTO development activities until the issues are resolved. This was communicated to FERC when the May 29, 2001 compliance filing was made. The FPSC held an RTO prudence determination proceeding for each company. The FPSC's Staff Recommendation was issued on Oct. 30, 2001, which among other things recommended that the FPSC issue a determination finding that the utilities were prudent in participating in the collaborative process and incurring the costs to date, but did not recommend a finding of prudence with respect to moving ahead with the RTO as proposed by the Applicants. At a Special Agenda Conference held Nov. 7, 2001, the FPSC decided against the formation of the GridFlorida RTO as proposed, and requested that the Applicants file a plan for the formation of an Independent System Operation within 90 days.

Concurrently, FERC issued an order initiating mediation to merge the various proposed RTOs in the four quadrants of the country, including the Southeast. The goal was to develop an RTO known as the Southeast Power Grid that would encompass a natural market for power in the Southeast. GridFlorida and TECO Power Services are participating in the discussions with the other RTO participants.

Accounting Standards

Accounting for Derivative Instruments and Hedging

The company adopted FAS 133, Accounting for Derivative Instruments and Hedging, effective Jan. 1, 2001. The standard requires the company to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in fair value of those instruments as either components of comprehensive income or in net income, depending on the types of those instruments. See Note D on page 8 for a full discussion of the impacts to the company.

Business Combinations and Goodwill and Other Intangible Assets

On June 30, 2001, the Financial Accounting Standards Board finalized FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142 effective Jan. 1, 2002, goodwill is no longer subject to amortization. Rather, goodwill will be subject to at least an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets will be required to be amortized over their useful lives.

Tampa Electric Company does not have any recorded goodwill. See Note F on page 8 for a full discussion of the impacts to the company.

Asset Retirement Obligations

In July 2001, the Financial Accounting Standards Board finalized FAS 143, Accounting for Asset Retirement Obligations, which requires the recognition of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its present value and the related capitalized charge is depreciated over the useful life of the asset. FAS 143 is effective for fiscal years beginning after June 15, 2002. See Note F on page 8 for a full discussion of the impacts to the company.

Accounting for the Impairment of Disposal of Long-Lived Assets

In August 2001 the Financial Accounting Standards Board issued FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of business. FAS 144 is effective for fiscal years beginning after December 15, 2001, with earlier application encouraged. The company is currently reviewing the impact that FAS 144 will have on its results. See Note F on page 8 for a discussion of the impacts to the company.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Tampa Electric Company is exposed to changes in interest rates primarily as a result of its borrowing activities. A hypothetical 10-percent increase in the company's weighted average interest rate on its variable rate debt would have an estimated $0.7 million impact on the company's pretax earnings over the next fiscal year.

A hypothetical 10-percent decrease in interest rates would not have a significant impact on the estimated fair value of the company's long-term debt at Sept. 30, 2001.

Based on policies approved by the Board of Directors, from time to time the company may enter into futures, swaps and option contracts to moderate exposure to interest rate changes.

Commodity Price Risk

Currently, at Tampa Electric and Peoples Gas System, commodity price increases due to changes in market conditions for fuel, purchased power and natural gas are recovered through cost recovery clauses, with no effect on earnings.

From time to time, Peoples Gas System may enter into futures, swaps and options contracts to limit the effect of natural gas price increases on the prices it charges customers. Amounts recorded in other comprehensive income at Sept. 30, 2001 were not material.

The company does not use derivatives or other financial products for speculative purposes.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On Oct. 24, 2001, Tampa Electric Company and the Florida Department of Environmental Protection (FDEP) resolved by consent order an alleged permit exceedance involving Tampa Electric's Polk Power Station. The Polk Power Station was developed as a demonstration project with the participation of the United States Department of Energy to demonstrate an innovative coal gasification fuel technology process. The by-product quantities (residues and unburnt coal) from the process have been higher than anticipated, resulting in on-site storage of quantities in excess of permit limits. The consent order provides for the payment of a $330,000 penalty, which was paid on Nov. 8, 2001.

In August 2001, Tampa Electric paid a $104,000 penalty to FDEP as a result of unanticipated delays in resolving the maintenance and repair response required pursuant to an April 10, 2001 consent order with FDEP, which related to solid waste and disposal facilities at Tampa Electric's Big Bend Station.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

12 Ratio of earnings to fixed charges

(b) Reports on Form 8-K

The registrant did not file any Current Reports on Form 8-K for the quarter ended Sept. 30, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY
(Registrant)

Date: Nov. 13, 2001

*By: /s/ G. L. GILLETTE
G. L. GILLETTE
Senior Vice President - Finance
and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibits
12	Ratio of earnings to fixed charges

Exhibit 12

TAMPA ELECTRIC COMPANY

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the company's ratio of earnings to fixed charges for the periods indicated.

Nine Months Ended Sept. 30, 2001	Twelve Months Ended Sept. 30, 2001	Year Ended December 31,				
		2000	1999	1998	1997	1996
4.65x	4.32x	4.14x	3.82x (1)	4.51x (2)	4.38x	4.40x (3)

For the purposes of calculating these ratios, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

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(1) Includes the effect of one-time, pretax charges totaling $18.3 million recorded in the third and fourth quarters of 1999. Charges consisted of the following: $10.5 million recorded based on Florida Public Service Commission audits of Tampa Electric's 1997 and 1998 earnings which limited Tampa Electric's equity ratio to 58.7 percent; $3.5 million to resolve litigation filed by the U.S. Environmental Protection Agency; and $4.3 million for corporate income tax settlements related to prior years' tax returns. The effect of these charges was to reduce the ratio of earnings to fixed charges. Had these charges been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.61x for the year ended Dec. 31, 1999.

(2) Includes the effect of one-time, pretax charges totaling $16.9 million, as more fully explained in Note I to Item 8, Financial Statements and Supplementary Data of the Company's Annual Report on Form 10-K for the 1998 fiscal year. The effect of these charges was to reduce the ratio of earnings to fixed charges. Had these charges been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.66x for the year ended Dec. 31, 1998.

(3) Amounts have been restated to reflect the merger of Peoples Gas System, Inc., with and into Tampa Electric Company.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

_X_ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended ______March 31, 2002______

OR

___ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period _____ to _____

Commission File Number 1-5007

TAMPA ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

FLORIDA	**59-0475140**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
702 N. Franklin Street, Tampa, Florida	**33602**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(813) 228-4111**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES _X_ NO _

Number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date (April 30, 2002):

Common Stock, Without Par Value 10

The registrant meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

Index to Exhibits Appears on Page 17

PART I. FINANCIAL INFORMATION

Item 1. Condensed ConsolidatedFinancial Statements

In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments which are of a recurring nature and necessary to present fairly the financial position of Tampa Electric Company as of Mar. 31, 2002 and 2001, and the results of operations and cash flows for the three-month periods ended Mar. 31, 2002 and 2001. The results of operations for the three-month period ended Mar. 31, 2002 are not necessarily indicative of the entire fiscal year ending Dec. 31, 2002. Reference should be made to the explanatory notes affecting the income and balance sheet accounts contained in Tampa Electric Company's Annual Report on Form 10-K for the year ended Dec. 31, 2001 and to the notes on pages 7 through 10 of this report.

FORM 10-Q

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(in millions)

	March 31, 2002	Dec. 31, 2001
Assets		
Property, plant and equipment		
Utility plant in service		
Electric	$4,165.9	$4,112 3
Gas	705.2	699.4
Construction work in progress	539.6	404.4
	5,410.7	5,216 1
Accumulated depreciation	(2,050.9)	(2,014.8)
	3,359.8	3,201.3
Other property	8.0	8 2
	3,367.8	3,209 5
Current assets		
Cash and cash equivalents	13.7	15.4
Receivables, less allowance for uncollectibles	178.6	156.3
Inventories, at average cost		
Fuel	85.8	69 0
Materials and supplies	51 6	51.0
Prepayments and other	12.9	12.5
	342.6	304.2
Deferred debits		
Unamortized debt expense	13.1	13.6
Deferred income taxes	133.4	136.2
Regulatory assets	162.2	192.1
Other	27.3	23 6
	336 0	365 5
	$4,046.4	$3,879 2
Liabilities and Capital		
Capital		
Common stock	$1,517.1	$1,318.1
Retained earnings	304.4	304.4
Accumulated other comprehensive loss	--	(0 1)
	1,821.5	1,622.4
Long-term debt, less amount due within one year	880.0	880 9
	2,701.5	2,503 3
Current Liabilities		
Long-term debt due within one year	156 1	156.1
Notes payable	158.9	249 0
Accounts payable	133 3	135 8
Customer deposits	87.6	86.3
Interest accrued	25.5	16.1
Taxes accrued	104.4	57.3
	665.8	700.6
Deferred credits		
Deferred income taxes	427.4	441.6
Investment tax credits	30.5	31.6
Regulatory liability	104.6	106.2
Other	116.6	95.9
	679.1	675.3
	$4,046.4	$3,879 2

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(in millions)

	For the three months ended Mar. 31, 2002	2001
Revenues		
Electric (includes franchise fees and gross receipts taxes of $14.0 million in 2002, and $13.1 million in 2001)	$ 345.5	$ 335.8
Gas (includes franchise fees and gross receipts taxes of $3.2 million in 2002, and $6.7 million in 2001)	85.4	134.1
	430.9	469.9
Operating expenses		
Operation		
Fuel	97.3	76.3
Purchased power	39.2	54.6
Natural gas sold	35.3	82.0
Other	63.3	62.7
Maintenance	26.9	27.3
Depreciation	53.0	49.1
Taxes-federal and state income	24.3	23.0
Taxes-other than income	33.1	35.6
	372.4	410.6
Operating Income	58.5	59.3
Other income		
Allowance for other funds used during construction	4.3	0.8
Other income, net	0.4	1.7
Total other income	4.7	2.5
Interest charges		
Interest on long-term debt	16.8	13.9
Other interest	2.3	7.2
Allowance for borrowed funds used during construction	(1.7)	(0.3)
Total interest charges	17.4	20.8
Net Income	$ 45.8	$ 41.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in millions)

	For the three months ended Mar. 31, 2002	2001
Cash flows from operating activities		
Net income	$ 45.8	$ 41.0
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	53.0	49.1
Deferred income taxes	(14.9)	3.4
Investment tax credits, net	(1.1)	(1.1)
Allowance for funds used during construction	(6.0)	(1.1)
Deferred recovery clause	28.3	(7.7)
Receivables, less allowance for uncollectibles	(22.3)	6.6
Inventories	(17.4)	(8.0)
Taxes accrued	47.1	26.7
Interest accrued	9.5	4.0
Accounts payable	(2.4)	(29.1)
Other	21.7	1.6
Cash flows from operating activities	141.3	85.4
Cash flows from investing activities		
Capital expenditures	(211.8)	(111.9)
Allowance for funds used during construction	6.0	1.1
Cash flows from investing activities	(205.8)	(110.8)
Cash flows from financing activities		
Proceeds from contributed capital from parent	199.0	10.0
Repayment of long-term debt	(0.4)	(0.4)
Net (decrease) increase in short-term debt	(90.1)	62.0
Payment of dividends	(45.7)	(45.8)
Cash flows from financing activities	62.8	25.8
Net (decrease) increase in cash and cash equivalents	(1.7)	0.4
Cash and cash equivalents at beginning of period	15.4	0.7
Cash and cash equivalents at end of period	$ 13.7	$ 1.1

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited
(in millions)

	For the three months ended Mar. 31, 2002	2001
Net income	$ 45.8	$ 41.0
Other comprehensive income (loss), net of tax:		
Cash flow hedges net of adjustments (see Note B)	0.1	--
Comprehensive income	$ 45.9	$ 41.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Revenue Recognition: Tampa Electric Company recognizes revenues in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin (SAS) 101, *Revenue Recognition in Financial Statements*. The criteria outlined in SAS101 are that (a) there is persuasive evidence that an arrangement exists; (b) delivery has occurred or services have been rendered; (c) the fee is fixed and determinable; and (d) collectibility is reasonably assured. Generally, the company recognizes revenues on a gross basis when earned, and the risks and rewards of ownership have transferred to the buyer.

The regulated utilities' retail business and the prices charged to customers are regulated by the Florida Public Service Commission (FPSC), and Tampa Electric's wholesale business is regulated by the Federal Energy Regulatory Commission (FERC). As a result, the regulated utilities qualify for the application of Financial Accounting Standard (FAS) 71, *Accounting for the Effects of Certain types of Regulation*. See Note D for a discussion of the applicability of FAS 71 to the company.

Accounting for Franchise Fees and Gross Receipts: Tampa Electric and Peoples Gas System expense excise taxes when incurred. Regulated utilities are allowed to recover certain costs incurred from customers through prices approved by the regulatory process. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Income Statement. These amounts totaled $17.2 million, and $19.8 million, for the three months ended Mar. 31, 2002 and 2001, respectively. Franchise fees and gross receipt taxes paid by the regulated utilities are included in Taxes, other than income on the Consolidated Statement of Income, and totaled $17.2 million and $19.7 million, respectively, for the three months ended Mar. 31, 2002 and 2001.

Planned Major Maintenance: Tampa Electric Company generally accounts for planned maintenance projects by expensing the costs as incurred as planned major maintenance projects do not increase the overall life or value of the related assets and are expensed accordingly. When the planned major maintenance materially increases the life or value of the underlying asset, the cost is capitalized. While normal maintenance outages covering various areas of the plants generally occur on at least a yearly basis, major overhauls occur less frequently.

Tampa Electric Company expenses major maintenance costs as incurred. Concurrent with a planned major maintenance outage, the cost of adding or replacing retirement units-of-property is capitalized in conformity with FPSC and FERC regulations.

Principles of Consolidation and Reclassifications: Tampa Electric Company (the company) is a wholly owned subsidiary of TECO Energy, Inc. Certain reclassifications have been made to prior year amounts to conform with current year presentations. These reclassifications did not affect total net income, total assets, or net cash flows.

B. Comprehensive Income

Statement of Financial Accounting Standards (FAS) No. 130, *Reporting Comprehensive Income*, requires that comprehensive income, which includes net income as well as certain changes in assets and liabilities recorded in common equity, be reported in the financial statements and are reflected in the Statement of Comprehensive Income. For the three months ended Mar. 31,2002, other comprehensive income reflected the $0.1 million adjustment for cash flow hedge losses included in net income. There were no components of other comprehensive income in 2001.

C. Derivatives and Hedging

FAS 133, *Accounting for Derivative Instruments and Hedging*, requires companies to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in fair value of those instruments as either components of comprehensive income or in net income, depending on the designation of those instruments. From time to time, the company has entered into futures, swaps and options contracts to limit exposure to gas price increases at Peoples Gas System (PGS). As of Mar. 31, 2002, Tampa Electric Company did not have any open hedges During the three months ended Mar. 31, 2002, the company reclassified net pretax losses of $0.1 million, to earnings for cash flow hedges. Reclassifications from OCI to earnings primarily occur when (1) the underlying hedged transaction impacts earnings, or (2) the forecasted transaction is no longer probable.

Tampa Electric does not use derivatives or other financial products for speculative purposes.

D. Regulatory Assets and Liabilities

Tampa Electric and Peoples Gas System (the regulated utilities) maintain their accounts in accordance with recognized policies prescribed or permitted by the Florida Public Service Commission (FPSC). In addition, Tampa Electric maintains its accounts in accordance with recognized policies prescribed or permitted by the Federal Energy Regulatory Commission (FERC). These policies conform with generally accepted accounting principles in all material respects.

The utilities apply the accounting treatment permitted by FAS 71, *Accounting for the Effects of Certain Types of Regulation*. Areas of applicability include deferral of revenues under approved regulatory agreements, revenue recognition resulting from cost recovery clauses that provide for monthly billing charges to reflect increases or decrease in fuel, purchased power, conservation and environmental costs, and deferral of costs as regulatory assets when cost recovery is ordered over a period longer than a fiscal year to the period that the regulatory agency recognizes them. Details of the regulatory assets and liabilities as of Mar. 31, 2002, and Dec. 31, 2001, are presented below:

	Mar. 31, 2002	Dec. 31, 2001
Regulatory assets:		
Regulatory tax asset (1)	$ 43.2	$ 41.3
Other:		
Recovery clause related	76.8	105.2
Coal contract buyout (2)	7.4	8.1
Deferred bond refinancing costs (3)	13.0	13.4
Environmental remediation	20.3	22.3
Other	1.5	1.8
	119.0	150.8
Total regulatory assets	$ 162.2	$ 192.1
Regulatory liabilities:		
Regulatory tax liability (1)	$ 41.5	$ 43.1
Other:		
Deferred allowance auction credits	1.0	1.1
Recovery clause related	0.5	0.5
Deferred gain on property sales (4)	0.8	0.9
Revenue refund	6.4	6.3
Environmental remediation	20.3	22.3
Transmission and delivery storm reserve	33.0	32.0
Other	1.1	--
	63.1	63.1
Total regulatory liabilities	$ 104.6	$ 106.2

(1) Related to plant life. Includes excess deferred taxes of $23.7 million and $24.6 million as of Mar. 31, 2002 and Dec. 31, 2001, respectively.

(2) Amortized over a 10-year period ending December 2004
(3) Refinancing costs as follows:

Debt related to	Amortized until
Refinancing costs for $85.95 million	2014
Refinancing costs for $155 million	2003
Refinancing costs for $100 million	2012
Refinancing costs for $25 million	2011
Refinancing costs for $51.605 million	2005
Refinancing costs for $38 million	2011

(4) Amortized over a 5-year period with various ending dates

E. Purchased Power

Tampa Electric purchases power on a regular basis primarily to meet the needs of its retail customers. For the three months ended Mar. 31, 2002 and 2001, Tampa Electric purchased $39.2 million and $54.6 million, respectively.

F. Commitment and Contingencies

The company has made certain commitments in connection with its continuing construction program. Total construction expenditures during 2002 are estimated to be $624 million for its electric division (referred to as Tampa Electric) and $58 million for its natural gas division (referred to as Peoples Gas System).

Tampa Electric Company is a potentially responsible party for certain superfund sites and, through its Peoples Gas System division, for certain former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, the company estimates its ultimate financial liability at approximately $20 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet, and are not expected to have a significant impact on customer prices

G. Contribution by Operating Division
(in millions)

	Revenues	Net Income
Three Months Ended Mar. 31, 2002		
Electric division (1)	$ 345.7	$ 36.0
Peoples Gas System (2)	85.4	9.8
	431.1	45.8
Other and eliminations	(0.2)	--
Tampa Electric Company	$ 430.9	$ 45.8
Three Months Ended Mar. 31, 2001		
Electric division (1)	$ 336.0	$ 30.5
Peoples Gas System (2)	134.1	10.5
	470.1	41.0
Other and eliminations	(0.2)	--
Tampa Electric Company	$ 469.9	$ 41.0

(1) Net income includes provisions for taxes of $18.2 million, and $16.8 million, respectively for the three months ended Mar. 31, 2002 and 2001.
(2) Net income includes and provisions for taxes of $6.1 million, and $6.2 million, respectively for the three months ended Mar. 31, 2002 and 2001.

H. New Accounting Pronouncements

FAS 141 and FAS 142: Effective Jan. 1, 2002, the company adopted Financial Accounting Standards Board FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142, goodwill is no longer subject to amortization. Rather, goodwill is subject to at least an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets will be required to be amortized over their useful lives. Tampa Electric Company has no recorded goodwill.

FAS 143: In July 2001, the Financial Accounting Standards Board issued FAS 143, *Accounting for Asset Retirement Obligations*, which requires the recognition of a liability at fair value for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its future value and the corresponding amount capitalized at inception is depreciated over the useful life of the asset. The liability must be revalued each period based on current market prices. FAS 143 is effective for fiscal years beginning after June 15, 2002. The company is currently reviewing the impact that FAS 143 will have on its results.

FAS 144: In August 2001, the Financial Accounting Standards Board issued FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of business. The company's adoption of FAS 144, effective Jan. 1, 2002, has had no significant impact on its results.

FAS 145: In April 2002, the Financial Accounting Standards Board issued FAS 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*. In addition to rescinding the aforementioned statements, FAS 145 also amends FAS 13, *Accounting for Leases*, to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The company is reviewing the impact that FAS 145 will have on its results.

Item 2. Management's Narrative Analysis of Results of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results to differ materially from those projected in these forward-looking statements include the following: interest rates and other factors that could impact Tampa Electric Company's ability to obtain access to sufficient capital on satisfactory terms; general economic conditions, particularly those in Tampa Electric's service area affecting energy sales; weather variations affecting energy sales and operating costs; potential competitive changes in the electric and gas industries, particularly in the area of retail competition; regulatory actions affecting Tampa Electric and Peoples Gas System; commodity price changes affecting the competitive positions of Tampa Electric and Peoples Gas System; and changes in and compliance with environmental regulations that may impose additional costs or curtail some activities. Some of these factors are discussed more fully under "Investment Considerations" in TECO Energy's Annual Report on Form 10-K for the year ended Dec. 31, 2001, and reference is made thereto.

Results of Operations

Three Months Ended Mar. 31, 2002:

Tampa Electric Company's net income for the quarter ended March 31, 2002 was $45.8 million, up from $41.0 million recorded for the three-month period ended March 31, 2001. The 12-percent increase for the quarter relative to last year reflected the continued strong customer growth, improved results from higher other income related to a pole attachment revenue true-up in the electric division and higher allowance for funds used during construction (AFUDC) (which represents interest and allowed equity cost capitalized to the construction costs). These were partially offset by mild winter weather patterns.

Electric division (Tampa Electric)

Tampa Electric's net income for the first quarter was $36.0 million, compared with $30.5 million for the same period in 2001. The benefits of strong customer growth of 2.6 percent in 2002 was partially offset by mild winter weather patterns which resulted in retail energy sales 4.8 percent lower than 2001. Results in the first quarter of 2001 included higher than normal energy sales due to colder than normal winter weather. The company showed improved results from higher income related to a pole attachment revenue true-up. Depreciation expense increased due to normal plant growth. Allowance for funds used during construction (AFUDC) (which represents interest and allowed equity cost capitalized to the construction costs), primarily from the Gannon to Bayside Units 1 and 2 repowering project, increased to $6.0 million for the quarter, from $1.1 million for the same period last year. A summary of the operating statistics for the three months ended Mar. 31, 2002 and 2001, follows:

(in millions, except average customers)	Operating Revenues			Kilowatt-hour sales		
Three Months Ended Mar. 31,	2002	2001	Change	2002	2001	Change
Residential	$162.7	$158.6	2.6%	1,714.4	1,878.8	-8.8%
Commercial	102.8	91.8	12.0%	1,285.7	1,304.4	-1.4%
Industrial - Phosphate	16.2	16.0	1.3%	316.8	343.1	-7.7%
Industrial - Other	19.1	15.9	20.1%	283.3	271.1	4.5%
Other sales of electricity	26.2	23.2	12.9%	311.9	313.9	-0.6%
Deferred and other revenues	(9.4)	(6.9)	-36.2%	--	--	--
	317.6	298.6	6.4%	3,912.1	4,111.3	-4.8%
Sales for resale	13.3	27.5	-51.6%	165.5	629.1	-73.7%
Other operating revenue	14.8	9.9	49.5%	--	--	--
	$345.7	$336.0	2.9%	4,077.6	4,740.4	-14.0%
Average customers (thousands)	587.2	572.1	2.6%			
Retail Output to Line (kilowatt hours)				4,098.6	4,106.9	-0.2%

Natural Gas division (Peoples Gas System)

Peoples Gas System (PGS) reported net income of $9.8 million for the quarter, compared with $10.5 million for the same period last year. Quarterly results reflected mild winter weather patterns which more than offset customer growth of almost 4 percent. Volumes for low-margin, gas transportation for electric power generators, interruptible customers and off-system sales increased as lower gas prices made gas utilization more attractive for these price-sensitive customers. Operating expenses were lower than last year reflecting the lower cost of gas sold, while depreciation increased due to normal plant growth. A summary of the operating statistics for the three months ended Mar. 31, 2002 and 2001 is below:

(in millions, except average customers)	Operating Revenues			Therms		
Three Months Ended Mar. 31,	2002	2001	Change	2002	2001	Change
By Customer Segment:						
Residential	$ 25.8	$ 41.8	-38.3%	25.3	27.5	-8.0%
Commercial	35.7	67.5	-47.1%	95.9	90.8	5.6%
Industrial	3.3	3.9	-15.4%	67.4	62.0	8.7%
Off system sales	10.4	4.4	136.4%	33.3	6.6	404.5%
Power generation	2.9	2.9	--	116.2	78.0	49.0%
Other revenues	7.3	13.6	-46.3%	--	--	--
	$ 85.4	$134.1	-36.3%	338.1	264.9	27.6%
By Sales Type:						
System supply	$ 57.8	$105.0	-45.0%	91.6	82.0	11.7%
Transportation	20.3	15.5	31.0%	246.5	182.9	34.8%
Other revenues	7.3	13.6	-46.3%	--	--	--
	$ 85.4	$134.1	-36.3%	338.1	264.9	27.6%
Average customers (thousands)	276.0	266.3	3.6%			

Peoples Gas System filed a Test Year Notification letter with the Florida Public Service Commission on Apr. 26. 2002, which notified the FPSC of PGS's intent to file a petition for rate relief on or before June 30, 2002 designating 2003 as the test year for determining rates. The petition, if filed, would contain a request for a rate increase to reflect, among other things, the effects of inflation and investment in system expansion since PGS's last rate case in 1992.

Other

AFUDC was $6.0 million and $1.1 million for the three months ended Mar. 31, 2002 and 2001, respectively. AFUDC has increased reflecting Tampa Electric's generation expansion programs.

Total interest charges were $17.4 million for the three months ended Mar. 31, 2002 compared to $20.8 million for the same period in 2001. Increased financing costs for the first quarter of 2002 reflecting primarily higher borrowing levels were offset by greater AFUDC credits.

Critical Accounting Policies

Management's Discussion & Analysis of Financial Condition & Results of Operations are based on Tampa Electric Company's consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and judgments under different assumptions or conditions. Please refer to **Critical Accounting Policies** of the **Management's Discussion & Analysis of Financial Condition & Results of Operations** section of the Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2001 for a discussion of our critical accounting policies.

Liquidity and Changes in Financial Condition

On Apr. 25, 2002, Standard & Poor's Rating Service (S&P) lowered the ratings on Tampa Electric Company's debt securities to A- from A for its senior secured debt and senior unsecured debt, and to A-2 from A-1 for its commercial paper. S&P indicated that the rating outlook remained negative. The ratings actions were attributed to increased debt levels, the required capital outlays, and the uncertainties related to industry restructuring. These downgrades and any future downgrades may affect the company's ability to borrow and increase costs, which may decrease earnings.

Credit Ratings/Senior Debt (as of Apr. 25, 2002)

	Moody's	Standard & Poor's	Fitch
Senior Secured	Aa3	A-	AA-
Senior Unsecured	A1	A-	A+
Commercial Paper	P1	A2	F1+

Tampa Electric Company issues commercial paper. This program is backe by the bank credit line facilities. The company's ability to utilize our commercial paper program is dependent upon maintaining an investment grade rating, and would be adversely affected by changes in the commercial paper market or if bank credit facilities were unavailable.

Accounting Standards

Business Combinations, Goodwill and Other Intangible Assets

Effective Jan. 1, 2002, the company adopted Financial Accounting Standards Board FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142, goodwill is no longer subject to amortization. Rather, goodwill is subject to at least an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets will be required to be amortized over their useful lives. Tampa Electric Company has no recorded goodwill.

Accounting for Asset Retirement Obligations

In July 2001, the Financial Accounting Standards Board issued FAS 143, *Accounting for Asset Retirement Obligations*, which requires the recognition of a liability at fair value for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its future value and the corresponding amount capitalized at inception is depreciated over the useful life of the asset. The liability must be revalued each period based on current market prices. FAS 143 is effective for fiscal years beginning after June 15, 2002. The company is currently reviewing the impact that FAS 143 will have on its results.

Accounting for the Impairment or Disposal of Long-Lived Assets

In August 2001 the Financial Accounting Standards Board issued FAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. FAS 144 addresses accounting and reporting for the impairment or disposal of long-lived assets, including the disposal of a segment of business. The company's adoption of FAS 144, effective Jan. 1, 2002, has had no significant impact on its results.

Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Techinical Corrections

FAS 145: In April 2002, the Financial Accounting Standards Board issued FAS 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*. In addition to rescinding the aforementioned statements, FAS 145 also amends FAS 13, *Accounting for Leases*, to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The company is reviewing the impact that FAS 145 will have on its results.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Tampa Electric Company is exposed to changes in interest rates primarily as a result of its borrowing activities, as discussed in Item 7a of the Form 10-K for the year ended Dec. 31, 2001, previously filed with the Securities and Exchange Commission. At Mar. 31, 2002, there was no material change from Dec. 31, 2001, in the company's exposure to interest rate risk..

Commodity Price Risk

Tampa Electric and Peoples Gas System, are subject to commodity price risk. as discussed in Item 7a of the Form 10-K for the year ended Dec. 31, 2001, previously filed with the Securities and Exchange Commission. At Mar. 31, 2002, there was no material change from Dec. 31, 2001, in the company's exposure to commodity price risk.

PART II. OTHER INFORMATION

Item 6. **Exhibits and Reports on Form 8-K**

(a) Exhibits

10.1 Compensation Committee's Determinations Regarding Crediting Rates for the TECO Energy Group Deferred Compensation Plan.

12 Ratio of earnings to fixed charges

(b) Reports on Form 8-K

The registrant did not file any Current Reports on Form 8-K for the quarter ended Mar. 31, 2002.

FORM 10-Q

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY
(Registrant)

Date: May 14, 2002

*By: /s/ G. L. GILLETTE
G. L. GILLETTE
Senior Vice President - Finance
and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibits
10.1	Compensation Committee's Determinations Regarding Crediting Rates for the TECO Energy Group Deferred Compensation Plan.
12	Ratio of earnings to fixed charges

Exhibit 10.1

TECO ENERGY GROUP
DEFERRED COMPENSATION PLAN

Crediting Contributions and Earnings to Accounts
Pursuant to Action of Compensation Committee

October 10, 2001

Pursuant to action of the Compensation Committee of the Board of Directors of TECO Energy, Inc., the following methods, procedures and limitations apply to crediting contributions and earnings to members' accounts under the TECO Energy Group Deferred Compensation Plan.

1. Earnings credited based on interest or TECO common stock. Earnings will be credited to accounts under the plan either at a rate of interest or at a rate of return based on the return on shares of common stock of TECO Energy ("common stock"). For each account the Benefits Committee (the "committee") will establish and maintain a subaccount for amounts earning interest (the "cash account") and a subaccount for amounts allocated to hypothetical shares of common stock, which will be denominated on a share basis (the "stock account"), as appropriate.

2. Cash Account only for Contributions and Earnings with respect to Years before January 1, 2002. All contributions with respect to years before January 1, 2002, and all earnings on those contributions, will be credited to the cash account and will be credited with earnings of the cash account.

3. Choice of Cash Account or Stock Account for Contributions and Earnings with respect to Years after December 31, 2001. Contributions with respect to years after December 31, 2001, will be credited to the cash account and/or the stock account, as chosen by the member in his deferral agreement, and will be credited with earnings of that same account. The member's choice of accounts is irrevocable as to the deferred compensation to which it relates. If the member fails to choose between the cash account and the stock account, the contributions will be credited to the cash account.

4. Crediting initial amounts to accounts.

(a) Cash Account. The amount initially credited to a cash account will equal the dollar amount of the compensation that would have been paid or vested but for the deferral. This amount will be expressed in dollars.

(b) Stock Account. The amount initially credited to a stock account will equal the dollar amount of the compensation that would have been paid or vested but for the deferral. This will be expressed as a number of hypothetical shares equal to the dollar amount deferred divided by the mean of the high and low trading prices per share of common stock on the New York Stock Exchange as of the date of crediting to the account.

5. Crediting earnings to accounts.

(a) Cash Account. As of each date on which the employer pays its payroll, the committee will credit interest on the balance in the cash account on the immediately preceding payroll date (or, in the case of vesting, the immediately preceding vesting date if that is later than the immediately preceding payroll date but is earlier than the current payroll date) from the date of that previous payroll (or vesting) date through the current payroll date, at the prime lending rate in effect on the first business day of the month in which the current payroll is paid (as reported in *The Wall Street Journal*) plus one percent, except that for periods before January 1, 2002, interest will be credited on a monthly basis, and for periods before January 1, 1994, interest will be credited at the rate in effect under the plan from time to time.

(b) Stock Account. As of the date of payment of any cash dividend on common stock, the committee will credit to the stock account a number of shares equal to the cash dividend per share times the number of shares credited to the stock account as of the dividend record date divided by the mean of the high and low trading prices per share of common stock on the New York Stock Exchange as of the trading day immediately preceding the date of the transaction. As of the date of payment of any stock dividend on common stock, the committee will credit to the stock account a number of shares equal to the stock dividend declared times the number of shares credited to the stock account as of the dividend record date. In the event of any stock split, recapitalization, reorganization, merger, consolidation, split-up, spin-off, exchange of shares or similar change affecting the common stock, appropriate adjustment will be made in the number of shares credited to the stock account. Shares will include fractional shares computed to three decimal places. For each hypothetical share (and fractional share) credited to the stock account as of the last day of each month, the earnings credited to the stock account will include any increase or decrease in per share value of common stock valued at the mean of the high and low trading prices per share of common stock on the New York Stock Exchange as of the last day of that month. The stock account is maintained for bookkeeping purposes only. Shares credited to the stock account are not considered actual shares of common stock of TECO Energy for any purpose and a member will have no rights as a stockholder with respect to such shares.

Exhibit 12

TAMPA ELECTRIC COMPANY

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the company's ratio of earnings to fixed charges for the periods indicated.

$ millions	Periods Ended Mar. 31, 2002		Year Ended Dec. 31,				
	3 Months	12 Months	2001	2000	1999	1998	1997
Income before income tax	$ 70	$ 281	$274	$262	$226	$232	$235
Interest Expense (3)	20	80	82	85	82	68	69
Preferred dividends	--	--	--	--	--	--	1
Earnings before taxes and fixed charges	$ 90	$ 361	$356	$347	$308	$300	$305
Interest expense (3)	$ 20	$ 80	$ 82	$ 85	$ 82	$ 68	$ 69
Interest on refunding bonds	--	(1)	(1)	(1)	(1)	(1)	(1)
Preferred dividends	--	--	--	--	--	--	1
Total fixed charges	$ 20	$ 79	$ 81	$ 84	$ 81	$ 67	$ 69
Ratio of earnings to fixed charges	4.51x	4.57x	4.41x	4.14x	3.82x (1)	4.51x(2)	4.38x

For the purposes of calculating these ratios, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

---

(1) Includes the effect of one-time, pretax charges totaling $18.3 million recorded in the third and fourth quarters of 1999. Charges consisted of the following: $10.5 million recorded based on Florida Public Service Commission audits of Tampa Electric's 1997 and 1998 earnings which limited Tampa Electric's equity ratio to 58.7 percent; $3.5 million to resolve litigation filed by the U.S. Environmental Protection Agency; and $4.3 million for corporate income tax settlements related to prior years' tax returns. The effect of these charges was to reduce the ratio of earnings to fixed charges. Had these charges been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.61x for the year ended Dec. 31, 1999.

(2) Includes the effect of one-time, pretax charges totaling $16.9 million, as more fully explained in Note I to Item 8, Financial Statements and Supplementary Data of the Company's Annual Report on Form 10-K for the 1998 fiscal year. The effect of these charges was to reduce the ratio of earnings to fixed charges. Had these charges been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.66x for the year ended Dec. 31, 1998.

(3) Interest expense includes total interest expense excluding AFUDC and an estimate of the interest component of rentals.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

_X_ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2002

OR

___ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-5007

TAMPA ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

FLORIDA	**59-0475140**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
702 N. Franklin Street, Tampa, Florida	**33602**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(813) 228-4111**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES _X_ NO _

Number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date (July 31, 2002):

Common Stock, Without Par Value 10

The registrant meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

Index to Exhibits Appears on Page 22

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments that are of a recurring nature and necessary to present fairly the financial position of Tampa Electric Company as of June 30, 2002 and 2001, and the results of operations and cash flows for the three-month and six-month periods ended June 30, 2002 and 2001. The results of operations for the three-month and six-month periods ended June 30, 2002 are not necessarily indicative of the entire fiscal year ending Dec. 31, 2002. Reference should be made to the explanatory notes affecting the income and balance sheet accounts contained in Tampa Electric Company's Annual Report on Form 10-K for the year ended Dec. 31, 2001 and to the notes on pages 9 through 13 of this report.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited
(in millions)

	June 30, 2002	Dec. 31, 2001
Assets		
Property, plant and equipment		
Utility plant in service		
Electric	$4,253.2	$4,112.3
Gas	716.9	699.4
Construction work in progress	589.9	404.4
	5,560.0	5,216.1
Accumulated depreciation	(2,087.0)	(2,014.8)
	3,473.0	3,201.3
Other property	7.9	8.2
	3,480.9	3,209.5
Current assets		
Cash and cash equivalents	2.9	15.4
Restricted cash	146.3	--
Receivables, less allowance for uncollectibles	212.0	166.8
Inventories, at average cost		
Fuel	85.8	69.0
Materials and supplies	51.4	51.0
Prepayments and other	15.7	12.5
	514.1	314.7
Deferred debits		
Unamortized debt expense	13.5	13.6
Deferred income taxes	133.6	136.2
Regulatory assets	141.0	192.1
Other	15.1	13.1
	303.2	355.0
	$4,298.2	$3,879.2

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS - continued
Unaudited
(in millions)

	June 30, 2002	Dec. 31, 2001
Liabilities and Capital		
Capital		
Common stock	$1,517.1	$1,318.1
Retained earnings	312.8	304.4
Accumulated other comprehensive loss	--	(0.1)
	1,829.9	1,622.4
Long-term debt, less amount due within one year	804.9	880.9
	2,634.8	2,503.3
Current Liabilities		
Long-term debt due within one year	377.7	156.1
Notes payable	281.2	249.0
Accounts payable	133.6	135.8
Customer deposits	89.3	86.3
Interest accrued	20.2	16.1
Taxes accrued	102.6	57.3
	1,004.6	700.6
Deferred credits		
Deferred income taxes	420.8	441.6
Investment tax credits	29.3	31.6
Regulatory liabilities	101.3	106.2
Other	107.4	95.9
	658.8	675.3
	$4,298.2	$3,879.2

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(in millions)

	For the three months ended June 30, 2002	2001
Revenues		
Electric (includes franchise fees and gross receipts taxes of $16.4 million in 2002, and $13.8 million in 2001)	$ 413.1	$ 358.8
Gas (includes franchise fees and gross receipts taxes of $2.3 million in 2002, and $4.0 million in 2001)	77.3	82.3
	490 4	441.1
Operating expenses		
Operations		
Fuel	117.0	68.3
Purchased power	63.5	75.1
Natural gas sold	38.2	43.4
Other	68.0	62.5
Maintenance	27.7	26.6
Depreciation	54.3	49.8
Taxes-federal and state income	26.1	24.0
Taxes-other than income	34.1	33.2
	428.9	382.9
Operating income	61.5	58.2
Other income		
Allowance for other funds used during construction	5.7	1.3
Other income, net	0.3	0.7
Total other income	6.0	2.0
Interest charges		
Interest on long-term debt	17.4	14.2
Other interest	2.5	4.2
Allowance for borrowed funds used during construction	(2.2)	(0.5)
Total interest charges	17.7	17.9
Net income	$ 49.8	$ 42.3

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited
(in millions)

	For the six months ended June 30, 2002	2001
Revenues		
Electric (includes franchise fees and gross receipts taxes of $30.3 million in 2002, and $26.9 million in 2001)	$ 758.6	$ 694.6
Gas (includes franchise fees and gross receipts taxes of $5.6 million in 2002, and $10.6 million in 2001)	162.7	216.4
	921.3	911.0
Operating expenses		
Operations		
Fuel	214.3	144.6
Purchased power	102.7	129.7
Natural gas sold	73.5	125.4
Other	131.3	125.2
Maintenance	54.6	53.9
Depreciation	107.3	98.9
Taxes-federal and state income	50.4	47.0
Taxes-other than income	67.2	68.8
	801.3	793.5
Operating income	120.0	117.5
Other income		
Allowance for other funds used during construction	10.0	2.1
Other income, net	0.7	2.4
Total other income	10.7	4.5
Interest charges		
Interest on long-term debt	34.2	28.1
Other interest	4.8	11.4
Allowance for borrowed funds used during construction	(3.9)	(0.8)
Total interest charges	35.1	38.7
Net income	$ 95.6	$ 83.3

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited
(in millions)

	For the six months ended June 30, 2002	2001
Cash flows from operating activities		
Net income	$ 95.6	$ 83.3
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	107.3	98.9
Deferred income taxes	(26.0)	12.3
Investment tax credits, net	(2.2)	(2.2)
Allowance for funds used during construction	(13.9)	(2.9)
Deferred recovery clause	51.3	(25.0)
Receivables, less allowance for uncollectibles	(45.3)	(18.2)
Inventories	(17.2)	(31.2)
Taxes accrued	45.3	10.5
Interest accrued	4.2	(14.5)
Accounts payable	(2.1)	(25.9)
Other	11.9	(12.5)
Cash flows from operating activities	208.9	72.6
Cash flows from investing activities		
Capital expenditures	(379.7)	(226.7)
Allowance for funds used during construction	13.9	2.9
Cash flows from investing activities	(365.8)	(223.8)
Cash flows from financing activities		
Proceeds from contributed capital from parent	199.0	158.0
Proceeds from long-term debt	147.1	250.0
Repayment of long-term debt	(0.4)	(0.4)
Funds held by Trustee - restricted cash	(146.3)	--
Net increase (decrease) in short-term debt	32.2	(172.6)
Payment of dividends	(87.2)	(83.4)
Cash flows from financing activities	144.4	151.6
Net (decrease) increase in cash and cash equivalents	(12.5)	0.3
Cash and cash equivalents at beginning of period	15.4	0.7
Cash and cash equivalents at end of period	$ 2.9	$ 1.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

TAMPA ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited
(in millions)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Net income	$ 49.8	$ 42.3	$ 95.6	$ 83.3
Other comprehensive income , net of tax:				
Cash flow hedges net of adjustments (see Note C)	--	--	0.1	--
Comprehensive income	$ 49.8	$ 42.3	$ 95.7	$ 83.3

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Tampa Electric Company (the "Company") is comprised of the Electric division, generally referred to as Tampa Electric and the Natural Gas division, which does business as Peoples Gas System, generally referred to as Peoples Gas System (PGS).

Revenue Recognition: The Company recognizes revenues in accordance with the Securities and Exchange Commissions Staff Accounting Bulletin (SAB) 101, *Revenue Recognition in Financial Statements*. The criteria outlined in SAB 101 are that a) there is persuasive evidence that an arrangement exists; b) delivery has occurred or services have been rendered; c) the fee is fixed and determinable; and d) collectibility is reasonably assured. The Company recognizes revenues on a gross basis when earned for the physical delivery of products or services, and the risks and rewards of ownership have transferred to the buyer. Revenues for any financial or hedge transactions that do not result in physical delivery are reported on a net basis.

The Company's retail business and the prices charged to customers are regulated by the Florida Public Service Commission (FPSC). Tampa Electric's wholesale business is regulated by the Federal Energy Regulatory Commission (FERC). As a result, the Company qualifies for the application of Financial Accounting Standard (FAS) 71, *Accounting for the Effects of Certain types of Regulation*. See Note D for a discussion of the applicability of FAS 71 to the Company.

Accounting for Excise Taxes, Franchise Fees and Gross Receipts: Tampa Electric and PGS expense immaterial excise taxes when incurred. Tampa Electric and PGS are allowed to recover certain costs incurred from customers through prices approved by the regulatory process. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Condensed Consolidated Income Statement. These amounts totaled $18.7 million and $17.8 million, for the three months ended June 30, 2002 and 2001, respectively, and $35.9 million and $37.5 million, for the six months ended June 30, 2002 and 2001, respectively. Franchise fees and gross receipt taxes payable by the Tampa Electric and PGS are included as an expense on the Condensed Consolidated Statement of Income in Taxes, other than income, and equaled the revenues collected.

Planned Major Maintenance: The Company accounts for planned maintenance projects by expensing the costs as incurred. Planned major maintenance projects that do not increase the overall life or value of the related assets are expensed. When the major maintenance materially increases the life or value of the underlying asset, the cost is capitalized. While normal maintenance outages covering various areas of Tampa Electric's plants generally occur on at least a yearly basis, major overhauls occur less frequently. Concurrent with a planned major maintenance outage, the cost of adding or replacing retirement units-of-property is capitalized in conformity with FPSC and FERC regulations.

Principles of Consolidation and Reclassifications: Tampa Electric Company is a wholly-owned subsidiary of TECO Energy, Inc. Certain reclassifications have been made to prior period amounts to conform with the current period presentations. These reclassifications did not affect total net income, total assets, or net cash flows.

B. Derivatives and Hedging

From time to time, the Company enters into futures, forwards, swaps and option contracts to limit the exposure to price fluctuations for the physical purchases and sales of natural gas in the course of normal operations at Tampa Electric and PGS, and to limit the exposure to interest rate fluctuations on debt issuances. The Company only uses derivatives to reduce normal operating and market risks, not for speculative purposes.

FAS 133, *Accounting for Derivative Instruments and Hedging*, requires companies to recognize derivatives as either assets or liabilities in the financial statements, to measure those instruments at fair value, and to reflect the changes in the fair value of those instruments as either components of other comprehensive income (OCI) or in net income, depending on the designation of those instruments.

The changes in fair value that are recorded in OCI are not recognized in current net income. As the underlying hedged transaction matures or physical commodity is delivered, the deferred gain or loss on the related hedging instrument must be reclassified from OCI to earnings. For hedge transactions, the amount reclassified from OCI to earnings is offset in net income by the amount paid or received on the underlying physical transaction.

At June 30, 2002, the Company had derivative liabilities totaling $0.2 million. There were no amounts in OCI related to derivatives designated as cash flow hedges at June 30, 2001. Amounts recorded in OCI reflect the value of derivative instruments designated as hedges, based on market prices as of the balance sheet date. These amounts are expected to fluctuate with movements in market prices and may or may not be realized as a loss upon reclassification from OCI.

As of June 30, 2002, Tampa Electric had transactions in place to hedge commodity price risk that qualify for cash flow hedge accounting treatment under FAS 133. During the three months ended June 30, 2002, the Company reclassified net pretax losses of $0.1 million to earnings for cash flow hedges. There were no reclassifications for the six months ended June 30, 2002 or 2001. Amounts reclassified from OCI were related to cash flow hedges of physical purchases of natural gas. For these types of hedge relationships, the loss on the derivative, reclassified from OCI to earnings, is offset by the reduced expense arising from lower prices paid for spot purchases of natural gas.

C. Comprehensive Income

Statement of Financial Accounting Standards (FAS) No. 130, *Reporting Comprehensive Income*, requires that comprehensive income, which includes net income as well as certain changes in assets and liabilities recorded in common equity, be reported in the financial statements. For the six months ended June 30, 2002 OCI reflected the $0.1 million adjustment for cash flow hedge losses included that were reclassified to net income. There were no components of OCI for the three months ended June 30, 2002, or in the three or six months ended June 30, 2001.

D. Regulatory Assets and Liabilities

Tampa Electric and PGS maintain their accounts in accordance with recognized policies prescribed or permitted by the FPSC. In addition, Tampa Electric maintains its accounts in accordance with recognized policies prescribed or permitted by the FERC. These policies conform with generally accepted accounting principles in all material respects.

The Company applies the accounting treatment permitted by FAS 71, *Accounting for the Effects of Certain Types of Regulation*. Areas of applicability include: deferral of revenues under approved regulatory agreements; revenue recognition resulting from cost recovery clauses that provide for monthly billing charges to reflect increases or decreases in fuel; purchased power, conservation and environmental costs; and deferral of costs as regulatory assets when cost recovery is ordered over a period longer than a fiscal year, to the period that the regulatory agency recognizes them. Details of the regulatory assets and liabilities as of June 30, 2002 and Dec. 31, 2001 are presented in the following table:

(in millions)	June 30, 2002	Dec. 31, 2001
Regulatory assets:		
Regulatory tax asset (1)	$ 45.9	$ 41.3
Other:		
Cost recovery clauses	54.2	105.2
Coal contract buyout (2)	6.8	8.1
Deferred bond refinancing costs (3)	12.6	13.4
Environmental remediation	20.3	22.3
Other	1.2	1.8
	95.1	150.8
Total regulatory assets	$ 141.0	$ 192.1
Regulatory liabilities:		
Regulatory tax liability (1)	$ 39.8	$ 43.1
Other:		
Deferred allowance auction credits	1.2	1.1
Cost recovery clauses	0.9	0.5
Deferred gain on property sales (4)	0.8	0.9
Revenue refund	4.3	6.3
Environmental remediation	20.3	22.3
Transmission and distribution storm reserve	34.0	32.0
	61.5	63.1
Total regulatory liabilities	$ 101.3	$ 106.2

(1) Related primarily to plant life. Includes excess deferred taxes of $22.7 million and $24.6 million as of June 30, 2002 and Dec. 31, 2001, respectively.
(2) Amortized over a 10-year period ending December 2004.
(3) Refinancing costs comprise:

Debt related to	Amortized until
Refinancing costs for $155.0 million	2003
Refinancing costs for $51.6 million	2005
Refinancing costs for $25.0 million	2011
Refinancing costs for $38.0 million	2011
Refinancing costs for $100.0 million	2012
Refinancing costs for $85.9 million	2014

(4) Amortized over a 5-year period with various ending dates.

E. Purchased Power

Tampa Electric purchases power on a regular basis primarily to meet the needs of its retail customers. For the three months and six months ended June 30, 2002, Tampa Electric purchased $63.5 million, and $102.7 million, respectively. Purchased power for the same periods last year were $75.1 million, and $129.7 million, respectively.

F. Commitments and Contingencies

The Company has made certain commitments in connection with its continuing construction program. Total construction expenditures during 2002 are estimated to be $608.2 million for Tampa Electric and $62.4 million for PGS.

The Company is a potentially responsible party for certain superfund sites and, through its Peoples Gas System division, for certain former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, the Company estimates its ultimate financial liability at approximately $20 million over the next 10 years. The environmental remediation costs associated with these sites have been recorded on the accompanying consolidated balance sheet, and are not expected to have a significant impact on customer prices.

G. Contribution by Operating Division

(in millions)

	Three Months Ended		Six Months Ended	
	Revenues	Net Income	Revenues	Net Income
June 30, 2002				
Tampa Electric (1)	$ 413.3	$ 45.4	$ 759.0	$ 81.4
Peoples Gas System (2)	77.3	4.4	162.7	14.2
	490.6	49.8	921.7	95.6
Other and eliminations	(0.2)	--	(0.4)	--
Tampa Electric Company	$ 490.4	$ 49.8	$ 921.3	$ 95.6
June 30, 2001				
Tampa Electric (1)	$ 359.0	$ 38.1	$ 695.0	$ 68.6
Peoples Gas System (2)	82.3	4.2	216.4	14.7
	441.3	42.3	911.4	83.3
Other and eliminations	(0.2)	--	(0.4)	--
Tampa Electric Company	$ 441.1	$ 42.3	$ 911.0	$ 83.3

(1) Net income includes provisions for taxes of $23.3 million and $41.5 million, respectively, for the three and six months ended June 30, 2002, and $21.5 million and $38.3 million, respectively, for the three and six months ended June 30, 2001.

(2) Net income includes provisions for taxes of $2.8 million and $8.9 million, respectively, for the three and six months ended June 30, 2002, and $2.5 million and $8.7 million, respectively, for the three and six months ended June 30, 2001.

H. Long-Term Debt and Other Financings

In June 2002, the Hillsborough County Industrial Development Authority (HCIDA) issued $147.1 million of HCIDA Pollution Control Revenue Refunding Bonds (Tampa Electric Company Project) Series 2002 for the benefit of the Company. The bonds were issued to refund three existing HCIDA Pollution Control Revenue Bonds in July and August 2002. The Company is responsible for repayment of the interest and principal associated with the issuance of the 2002 refunding bonds. The average rate on the new bonds is 5.33% compared to an average coupon rate of 7.64% on the refunded bonds. Restricted cash of $146.3 million held by the trustee from the proceeds of the 2002 refunding bonds is reflected as a financing activity in the Condensed Consolidated Statements of Cash Flows and was applied to payment of the refunded bonds in July and August 2002.

I. New Accounting Pronouncements

FAS 141 and FAS 142: Effective Jan. 1, 2002, the Company adopted Financial Accounting Standards Board FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. With the adoption of FAS 142, goodwill is no longer subject to amortization. Rather, goodwill is subject to an annual assessment for impairment by applying a fair-value-based test. Under the new rules, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. These intangible assets are required to be amortized over their useful lives. The Company has no recorded goodwill.

FAS 143: In July 2001, the Financial Accounting Standards Board issued FAS 143, *Accounting for Asset Retirement Obligations*, which requires the recognition of a liability at fair value for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its future value. The corresponding amount capitalized at inception is depreciated over the useful life of the asset. The liability must be revalued each period based on current market prices. FAS 143 is effective for fiscal years beginning after June 15, 2002. The Company is reviewing the impact that implementation of FAS 143 will have on the Company's results.

FAS 145: In April 2002, the Financial Accounting Standards Board issued FAS 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*. In addition to rescinding the aforementioned statements, FAS 145 also amends FAS 13, *Accounting for Leases*, to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The implementation of FAS 145 is not anticipated to have a significant impact on the Company's results.

FAS 146: In July 2002, the Financial Accounting Standards Board issued FAS 146, *Accounting for Costs Associated with Exit or Disposal Activities*, which addresses the accounting for costs under certain circumstances, including costs to terminate a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred compensation contract. FAS 146 is effective for disposal activities initiated after December 31, 2002.

Item 2. Management's Narrative Analysis of Results of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. These forward-looking statements include references to the Company's anticipated results of operations, growth rates, capital investments and funding requirements and other future plans. Certain factors that could cause actual results to differ materially from those projected in these forward-looking statements include the following: interest rates and other factors that could impact the Company=s ability to obtain access to sufficient capital on satisfactory terms; general economic conditions, particularly those in Tampa Electric's service area affecting energy sales; weather variations affecting energy sales and operating costs; potential competitive changes in the electric and gas industries, particularly in the area of retail competition; regulatory actions affecting Tampa Electric and Peoples Gas System (PGS); commodity price changes affecting the competitive positions of Tampa Electric and PGS; and changes in and compliance with environmental regulations that may impose additional costs or curtail some activities. Some of these factors are discussed more fully under "Investment Considerations' in TECO Energy's Annual Report on Form 10-K for the year ended Dec. 31, 2001, and in TECO Energy's Registration Statement on Form S-3 (Registration No. 333-83958), and references are made thereto.

Results of Operations

Three Months Ended June 30, 2002:

The Company's net income for the quarter ended June 30, 2002 was $49.8 million, up from $42.3 million recorded for the three-month period ended June 30, 2001. The 18-percent increase for the quarter relative to last year reflected higher sales due to continued strong customer growth, a return to more normal weather patterns and higher allowance for funds used during construction (AFUDC) (which represents allowed interest and equity cost capitalized to the construction costs), primarily from the Gannon to Bayside Units 1 and 2 repowering project.

Electric division (Tampa Electric)

Tampa Electric's net income for the second quarter was $45.4 million, compared with $38.1 million for the same period in 2001. Tampa Electric showed improved results from customer growth of almost 3 percent and 12 percent higher retail energy sales due to more-normal weather patterns. Retail energy sales in 2001 were lower due to mild spring weather. Results for the quarter included higher depreciation expense from normal plant additions and higher operations and maintenance expense related to a small-scale employee retirement program. The equity component of AFUDC, primarily from the Gannon to Bayside Units 1 and 2 repowering project, increased to $5.7 million for the quarter, from $1.3 million for the same period last year. A summary of the operating statistics for the three months ended June 30, 2002 and 2001 follows:

(in millions, except average customers)	Operating revenues			Kilowatt-hour sales		
Three months ended June 30,	**2002**	**2001**	**% Change**	**2002**	**2001**	**% Change**
Residential	$193.5	$158.1	22.4	2,069.2	1,793.8	15.4
Commercial	119.5	103.3	15.7	1,525.0	1,415.5	7.7
Industrial - Phosphate	21.5	17.2	25.0	376.8	335.1	12.4
Industrial - Other	21.7	18.6	16.7	319.2	289.4	10.3
Other sales of electricity	29.6	25.7	15.2	364.2	337.2	8.0
Deferred and other revenues	(0.4)	7.3	(105.5)	--	--	--
	385.4	330.2	16.7	4,654.4	4,171.0	11.6
Sales for resale	18.6	20.5	(9.3)	321.3	341.8	(6.0)
Other operating revenue	9.3	8.3	12.0	--	--	--
	$413.3	$359.0	15.1	4,975.7	4,512.8	10.3
Average customers (thousands)	588.4	572.8	2.7			
Retail output to line (kilowatt hours)				4,968.2	4,590.4	8.2

Natural Gas division (Peoples Gas System)

PGS reported net income of $4.4 million for the quarter, compared with $4.2 million for the same period last year. Quarterly results reflected almost 4 percent customer growth, higher commercial usage, increased gas transportation for power generation customers and off-system sales, and lower operating expenses. Operating expenses were lower than last year reflecting the lower cost of gas sold, while depreciation increased due to normal plant growth. A summary of operating statistics for the three months ended June 30, 2002 and 2001 is below:

(in millions, except average customers)	Operating revenues			Therms		
Three months ended June 30,	**2002**	**2001**	**% Change**	**2002**	**2001**	**% Change**
By Customer Segment:						
Residential	$ 14.9	$ 17.8	(16.3)	10.2	11.0	(7.3)
Commercial	28.6	40.2	(28.8)	76.4	72.3	5.7
Industrial	3.1	2.9	6.9	64.5	63.1	2.2
Off system sales	20.7	8.7	137.9	52.5	19.0	176.3
Power generation	3.0	2.8	7.1	136.9	108.4	26.3
Other revenues	7.0	9.9	(29.3)	--	--	--
	$ 77.3	$ 82.3	(6.1)	340.5	273.8	24.4
By Sales Type:						
System supply	$ 51.8	$ 58.0	(10.7)	84.1	62.0	35.6
Transportation	18.5	14.4	28.5	256.4	211.8	21.0
Other revenues	7.0	9.9	(29.3)	--	--	--
	$ 77.3	$ 82.3	(6.1)	340.5	273.8	24.4
Average customers (thousands)	276.7	266.2	3.9			

On June 27, 2002, PGS filed an application for a rate increase with the Florida Public Service Commission (FPSC). In this filing, PGS has requested the FPSC to authorize interim rate relief of $5.4 million of annual gross revenues effective within 60 days of the filing. In total, PGS is seeking a permanent rate increase of $22.6 million of annual base revenue, a 9 percent increase, with an allowed return on equity of 11.75 percent, compared with the current 11.25 percent, effective within eight months from the date of the filing. Since its last rate case in 1992, PGS has added more than 100,000 customers, a 57 percent increase, nearly doubled its pipeline system to almost 9,000 miles and experienced a 30 percent increase in the consumer price index.

Non-operating Items

The equity portion of AFUDC was $5.7 million and $1.3 million for the three months ended June 30, 2002 and 2001, respectively. AFUDC has increased due to Tampa Electric's generation expansion program.

Total interest charges were $17.7 million for the three months ended June 30, 2002 compared to $17.9 million for the same period in 2001. Increased financing costs for the second quarter of 2002, reflecting primarily higher borrowing levels were offset by greater AFUDC credits.

Six Months Ended June 30, 2002:

The Company's net income for the six months ended June 30, 2002 was $95.6 million, up from $83.3 million recorded for the six-month period ended June 30, 2001. The 15-percent increase relative to last year reflected continued strong customer growth, improved results from higher income related to a pole attachment revenue true-up in the electric division and higher AFUDC, primarily related to the Gannon to Bayside Units 1 and 2 repowering project.

Electric division (Tampa Electric)

Tampa Electric's year-to-date net income increased almost 19 percent to $81.4 million, reflecting approximately 3 percent customer growth and more than 3 percent higher retail energy sales as a result of a return to more-normal spring weather. Tampa Electric also showed improved results from higher income accruals related to a pole attachment revenue true-up recorded in the first quarter of 2002. The equity component of AFUDC increased to $10.0 million for the first six months of 2002 from $2.1 million in the first half of 2001. Depreciation expense and operations and maintenance expenses increased as a result of the factors discussed for the quarter. A summary of operating statistics for the six months ended June 30, 2002 and 2001 follows:

(in millions, except average customers)	Operating revenues			Kilowatt-hour sales		
Six months ended June 30,	2002	2001	% Change	2002	2001	% Change
Residential	$356.2	$316.6	12.5	3,783.6	3,672.6	3.0
Commercial	222.3	195.0	14.0	2,810.7	2,719.9	3.3
Industrial - Phosphate	37.7	33.2	13.6	693.6	678.2	2.3
Industrial - Other	40.8	34.6	17.9	602.5	560.6	7.5
Other sales of electricity	55.8	48.9	14.1	676.1	651.0	3.9
Deferred and other revenues	(9.8)	0.4	--	--	--	--
	703.0	628.7	11.8	8,566.5	8,282.3	3.4
Sales for resale	31.9	48.1	(33.7)	486.8	970.9	(49.9)
Other operating revenue	24.1	18.2	32.4	--	--	--
	$759.0	$695.0	9.2	9,053.3	9,253.2	(2.2)
Average customers (thousands)	587.8	572.5	2.7			
Retail output to line (kilowatt hours)				9,066.8	8,697.4	4.2

Natural Gas division (Peoples Gas System)

PGS' year-to-date net income was $14.2 million, compared with $14.7 million for the same period last year. Year-to-date results reflected mild winter weather partially offset by almost 4 percent customer growth, higher commercial usage and increased volumes for low margin, transportation gas for electric power generators, interruptible customers and off-system sales as lower gas prices made gas utilization more attractive for price sensitive customers. Operating expenses were lower than last year, reflecting the lower cost of gas sold, while depreciation increased due to normal plant growth. A summary of operating statistics for the six months ended June 30, 2002 and 2001 follows:

(in millions, except average customers)	Operating revenues			Therms		
Six months ended June 30,	**2002**	**2001**	**% Change**	**2002**	**2001**	**% Change**
By Customer Segment:						
Residential	$ 40.7	$ 59.6	(31.7)	35.4	38.5	(8.1)
Commercial	64.3	107.7	(40.3)	172.4	163.1	5.7
Industrial	6.5	6.8	(4.4)	131.9	125.1	5.4
Off system sales	31.1	13.1	137.4	85.9	25.6	235.5
Power generation	5.8	5.7	1.8	253.1	186.4	35.8
Other revenues	14.3	23.5	(39.1)	--	--	--
	$162.7	$216.4	(24.8)	678.7	538.7	26.0
By Sales Type:						
System supply	$109.7	$163.1	(32.7)	175.8	143.9	21.3
Transportation	38.7	29.8	29.9	502.9	394.8	27.4
Other revenues	14.3	23.5	(39.1)	--	--	--
	$162.7	$216.4	(24.8)	678.7	538.7	26.0
Average customers (thousands)	276.3	266.2	3.8			

Non-operating Items

The equity component of AFUDC was $10.0 million and $2.1 million for the six months ended June 30, 2002 and 2001, respectively. AFUDC has increased due to Tampa Electric's generation expansion program.

Total interest charges were $35.1 million for the six months ended June 30, 2002 compared to $38.7 million for the same period in 2001. Increased financing costs for the first six months of 2002 reflecting primarily higher borrowing levels were offset by greater AFUDC credits.

Critical Accounting Policies

Management's Discussion & Analysis of Financial Condition & Results of Operations provides a narrative explanation of the Company's consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and judgments under different assumptions or conditions. Please refer to **Critical Accounting Policies** of the **Management's Discussion & Analysis of Financial Condition & Results of Operations** section of the Company's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2001 for a discussion of our critical accounting policies. See also Note A - Summary of Significant Accounting Policies to the Condensed Consolidated Financial Statements.

Liquidity and Changes in Financial Condition

In June 2002, the Hillsborough County Industrial Development Authority (HCIDA) issued $147.1 million of HCIDA Pollution Control Revenue Refunding Bonds (Tampa Electric Company Project) Series 2002, for the benefit of the Company. Restricted cash at June 30, 2002 of $146.3 million primarily reflects the net proceeds from these bonds held by the trustee which were used in July and August 2002 to refund outstanding HCIDA tax-exempt debt previously issued for the benefit of Tampa Electric Company. This refinancing is expected to result in annual pretax savings of $3.4 million. See Note H to the Condensed Consolidated Financial Statements for additional information.

As reported in the Company's Form 10-Q for the quarter ended March 31, 2002, on April 25, 2002, Standard & Poors Rating Service (S&P) lowered the ratings on Tampa Electric's debt securities to A- from A for its senior secured debt and senior unsecured debt, and to A-2 from A-1 for its commercial paper. The summary of all current credit ratings follows.

Credit Ratings/Senior Debt (as of Apr. 25, 2002)

	Moody's	Standard & Poor's	Fitch
Senior Secured	Aa3	A-	AA-
Senior Unsecured	A1	A-	A+
Commercial Paper	P1	A2	F1+

The Company issues commercial paper. This program is backed by the Company's $300 million bank credit line facilities. The Company's ability to utilize its commercial paper program is dependent upon maintaining investment grade ratings, and would be adversely affected by changes in the commercial paper market or if bank credit facilities were unavailable. In order to utilize the bank credit facilities, the Company's debt-to-capital ratio, as defined in the credit agreement, may not exceed 65.0% at the end of the applicable quarter. The Company's debt-to-capital ratio was 41.9% at June 30, 2002.

Accounting Standards

Business Combinations, Goodwill and Other Intangible Assets

Effective Jan. 1, 2002, the Company adopted Financial Accounting Standards Board FAS 141, *Business Combinations*, and FAS 142, *Goodwill and Other Intangible Assets*. FAS 141 requires all business combinations initiated after June 30, 2001, to be accounted for using the purchase method of accounting. The Company has no recorded goodwill. See Note I to the Condensed Consolidated Financial Statements for additional information.

Accounting for Asset Retirement Obligations

In July 2001, the Financial Accounting Standards Board issued FAS 143, *Accounting for Asset Retirement Obligations*, which requires the recognition of a liability at fair value for an asset retirement obligation in the period in which it is incurred. FAS 143 is effective for fiscal years beginning after June 15, 2002. The Company is reviewing the impact that FAS 143 will have on its results. See Note I to the Condensed Consolidated Financial Statements for additional information.

Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections

In April 2002, the Financial Accounting Standards Board issued FAS 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*. See Note Q to the Condensed Consolidated Financial Statements on page 19 for additional information. The implementation of FAS 145 is not anticipated to have a significant impact on the Company's results.

Accounting for Exit or Disposal Activities

In July 2002, the Financial Accounting Standards Board issued FAS 146, *Accounting for Costs Associated with Exit or Disposal Activities*, which addresses the accounting for costs under certain circumstances, including costs to terminate a contract that is not a capital lease, costs to consolidate facilities or relocate employees, and termination benefits provided to employees that are involuntarily terminated under the terms of a one-time benefit arrangement that is not an ongoing benefit arrangement or an individual deferred compensation contract. FAS 146 is effective for disposal activities initiated after December 31, 2002.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to changes in interest rates primarily as a result of its borrowing activities, as discussed in Item 7a of the Company's Annual Report on Form 10-K for the year ended Dec. 31, 2001. At June 30, 2002, there was no material change from Dec. 31, 2001, in the Company's exposure to interest rate risk.

Commodity Price Risk

The Company is subject to commodity price risk, as discussed in Item 7a of the Company's Annual Report on Form 10-K for the year ended Dec. 31, 2001. At June 30, 2002, there was no material change from Dec. 31, 2001, in the Company=s exposure to commodity price risk.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company has advised the Florida Department of Environmental Protection (FDEP) that it expects to accept a resolution opportunity afforded in an FDEP violation letter dated July 12, 2002. Specifically, the allegation that Tampa Electric's failure to timely respond to an information request violated a consent order would be resolved through performance of an environmental in-kind project at a cost of less than $200,000 in lieu of monetary sanctions.

See the discussion of additional environmental matters in Note F.

Item 6. Exhibits and Reports on Form 8-K

(a) **Exhibits** - See index on page 22.

(b) **Reports on Form 8-K**

The registrant did not file any Current Reports on Form 8-K for the quarter ended June 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAMPA ELECTRIC COMPANY
(Registrant)

Date: August 13, 2002

*By: /s/ G. L. GILLETTE
G. L. GILLETTE
Senior Vice President - Finance
and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibits
4.1	Loan and Trust Agreement among Hillsborough County Industrial Development Authority. Tampa Electric Company and The Bank of New York Trust Company of Florida, as trustee, dated as of June 11, 2002, maturing Oct. 1, 2013.
4.2	Loan and Trust Agreement among Hillsborough County Industrial Development Authority. Tampa Electric Company and The Bank of New York Trust Company of Florida, as trustee, dated as of June 11, 2002, maturing Oct. 1, 2023.
10.1	Annual Incentive Compensation Plan for TECO Energy and subsidiaries, as revised Apr. 17, 2002.
12	Ratio of earnings to fixed charges.
99	Certification by Chief Executive Officer and Chief Financial Officer.

Exhibit 12

TAMPA ELECTRIC COMPANY

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the company's ratio of earnings to fixed charges for the periods indicated.

$ millions	Six months Ended June 30, 2002	Twelve months ended June 30, 2002	Year ended Dec. 31, 2001	2000	1999	1998	1997
Income before income tax	$146	$ 291	$274	$262	$226	$232	$235
Interest Expense (3)	41	81	82	85	82	68	69
Preferred dividends	--	--	--	--	--	--	1
Earnings before taxes and fixed charges	$187	$ 372	$356	$347	$308	$300	$305
Interest expense (3)	$ 41	$ 81	$ 82	$ 85	$ 82	$ 68	$ 69
Interest on refunding bonds	--	(1)	(1)	(1)	(1)	(1)	(1)
Preferred dividends	--	--	--	--	--	--	1
Total fixed charges	$ 41	$ 80	$ 81	$ 84	$ 81	$ 67	$ 69
Ratio of earnings to fixed charges	4.59	4.62	4.41	4.14	3.82 (1)	4.51(2)	4.38

For the purposes of calculating these ratios, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

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(1) Includes the effect of other non-operating pretax items totaling $18.3 million recorded in the third and fourth quarters of 1999. Charges consisted of the following: $10.5 million recorded based on Florida Public Service Commission audits of Tampa Electric's 1997 and 1998 earnings which limited Tampa Electric's equity ratio to 58.7 percent; $3.5 million to resolve litigation filed by the U.S. Environmental Protection Agency; and $4.3 million for corporate income tax settlements related to prior years' tax returns. The effect of these items was to reduce the ratio of earnings to fixed charges. Had these items been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.61 for the year ended Dec. 31, 1999.

(2) Includes the effect of other non-operating pretax items totaling $16.9 million, as more fully explained in Note I to Item 8, Financial Statements and Supplementary Data of the Company's Annual Report on Form 10-K for the 1998 fiscal year. The effect of these charges was to reduce the ratio of earnings to fixed charges. Had these items been excluded from the calculation, the ratio of earnings to fixed charges would have been 4.66 for the year ended Dec. 31, 1998.

(3) Interest expense includes total interest expense excluding AFUDC and an estimate of the interest component of rentals.

Exhibit 99

TAMPA ELECTRIC COMPANY

Certification of Periodic Financial Report
Pursuant to 18 U.S.C. Section 1350

Each of the undersigned officers of Tampa Electric Company (the "Company") certifies, under the standards set forth in and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2002 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in that Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2002

/s/ Robert D. Fagan
Robert D. Fagan
Chief Executive Officer

Dated: August 13, 2002

/s/ Gordon L. Gillette
Gordon L. Gillette
Chief Financial Officer

Exhibit B-2

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE TWELVE MONTHS ENDED DEC. 31, 2003
(MILLIONS)

FUNDS PROVIDED BY	
Operations:	
Depreciation	$180
Deferred Income Taxes	(6)
Investment Tax Credit -- Net	(4)
Other	(7)
	163
Financing:	
Changes in Financing	52
TOTAL FUNDS AVAILABLE	$215
FUNDS APPLIED TO	
Construction (excluding AFUDC)	$215
TOTAL FUNDS APPLIED	$215

TAMPA ELECTRIC COMPANY
ELECTRIC DIVISION
CONSTRUCTION EXPENDITURE FORECAST
FOR THE TWELVE MONTHS ENDED DEC. 31, 2003
(MILLIONS)

Transmission & Distribution	$ 89
Production	107
General	14
	210
Cost of Removal, Net of Salvage	5
Total Projected Construction Expenditures (excluding AFUDC)	$215

TAMPA ELECTRIC COMPANY
GAS DIVISION
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE TWELVE MONTHS ENDED DEC. 31, 2003
(MILLIONS)

FUNDS PROVIDED BY	
Operations:	
Depreciation / Amortization	$33
Deferred Income Taxes	(2)
Other	(2)
	29
Financing:	
Changes in Financing	33
TOTAL FUNDS AVAILABLE	$62
FUNDS APPLIED TO	
Construction	$62
TOTAL FUNDS APPLIED	$62

TAMPA ELECTRIC COMPANY
GAS DIVISION
PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE TWELVE MONTHS ENDED DEC. 31, 2003
(MILLIONS)

Total Projected Construction Expenditures - (excluding AFUDC)	$62