

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

ORIGINAL COPY
Division of
Economic Regulation
PSC

PEOPLES GAS SYSTEM

(EXACT NAME OF RESPONDENT)

**702 N. Franklin Street
Tampa, Florida 33602**

(ADDRESS OF RESPONDENT)

02 APR 30 PM 3:56
COMMISSION REGULATION
FLORIDA PUBLIC SERVICE

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

Officer or other person to whom correspondence should be addressed concerning this report:

Name	Bruce Narzissenfeld	Title	Controller
Address	P. O. Box 2562	City	Tampa
		State	FL 33601-2562
Telephone No.	(813) 228-4526		PSC/AFA 20 (4 /96)

Report of Independent Certified Public Accountants

To the Board of Directors
Tampa Electric Company

Our regular examinations of the financial statements of Peoples Gas System, (a wholly-owned subsidiary of Tampa Electric Company) are conducted for the purpose of including such financial statements in the consolidated accounts of its parent company, which are included in an annual report to shareholders and on which we have reported separately for the years ended December 31, 2001 and 2000 under date of January 11, 2002. In connection with our examination of the financial statements of Peoples Gas System for the years then ended, we have also reviewed the Comparative Balance Sheet, Statement of Income, and Notes to Financial Statements for the years then ended and the Statement of Retained Earnings and Statement of Cash Flows for the year ended December 31, 2001, included in the accompanying Annual Report of Natural Gas Utilities as filed with the Florida Public Service Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peoples Gas System at December 31, 2001 and 2000, the results of its operations and its cash flows for the year ended December 31, 2001, and net income for the year ended December 31, 2000, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.



This report is intended solely for the information and use of the board of directors and management of Tampa Electric Company and for filing with the Florida Public Service Commission and should not be used for any other purpose.

PriceWaterhouseCoopers LLP
January 11, 2002

**INSTRUCTIONS FOR FILING THE
ANNUAL REPORT OF NATURAL GAS UTILITIES**

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, a Division of Tampa Electric Company	02 Year of Report 2001
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 702 N. Franklin Street Tampa, Florida 33602	
05 Name of Contact Person Bruce Narzissenfeld	06 Title of Contact Person Controller
07 Address of Contact Person (Street, City, State, Zip Code) P. O. Box 2562 Tampa, Florida 33601-2562	
08 Telephone of Contact Person, Including Area Code (813) 228-4526	09 Date of Report (Mo, Da, Yr) Dec. 31, 2001

ATTESTATION

I certify that I am the responsible accounting officer of

Peoples Gas System;


that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2001 to December 31, 2001, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

4/25/02
Date


Signature

Bruce Narzissenfeld
Name

Controller
Title

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2001

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Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2001
GENERAL INFORMATION	
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p style="margin-left: 40px;">Bruce Narzissenfeld, Controller 702 N. Franklin Street Tampa, Florida 33602</p>	
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p style="margin-left: 40px;">Florida, 1949</p>	
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p style="margin-left: 40px;">None</p>	
<p>4. State the type of utility and nonutility services furnished by respondent during the year in each State in which the respondent operated.</p> <p style="margin-left: 40px;">Natural Gas Utility All in the State of Florida</p>	
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) YES ...Enter the date when such independent accountant was initially engaged: _____</p> <p>(2) x NO</p>	

Name of Respondent For the Year Ended

Peoples Gas System

Dec. 31, 2001

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee (s), state name of

trustee (s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

In June 1997, TECO Energy, Inc., acquired Lykes Energy, Inc. As part of this acquisition, Lykes' regulated gas distribution utility, Peoples Gas System, Inc., (PGS) was merged into Tampa Electric Company and now operates as the Peoples Gas System division. Also in June 1997, TECO Energy completed its acquisition of West Florida Natural Gas Company (West Florida), which was merged into Tampa Electric Company and now operates as part of the Peoples Gas System division.

The acquisitions of PGS and West Florida, were accounted for as poolings of interests and, accordingly, the 1997 financial statements filed with the Securities and Exchange Commission in Tampa Electric Company's Annual Report on Form 10-K included the financial results of PGS and West Florida. However, for purposes of this Annual Report, only the Financial and Operating results for the natural gas operation of Peoples Gas System (which includes West Florida) are presented herein.

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2001

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
 2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
 2. Direct control is that which is exercised without interposition of an intermediary.
 3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
 4. Joint control is that in which neither interest can effectively

control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
None			

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c) (1)
1	President	W. N. Cantrell	\$300,000
2	Vice President - Accounting	F. J. Sivard	133,881
3	Vice President - Operations	R. B. Christmas	164,462
4	Vice President - Regulatory & Gas Supply	M. J. Pennino	137,281
5			
6	Effective October 22, 2001:		
7	M.J.Pennino - V.P. - Operations Peoples Gas		
8	R.B.Christmas - Pres. Teco Gas Services		
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40	(1) Amounts included in FPSC copies only.		
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Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
DIRECTORS			
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.		2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
<p>Peoples Gas System, as a division of Tampa Electric Company, has no directors. However, all directors of Tampa Electric Company, a wholly owned subsidiary of TECO Energy, Inc. (TECO Energy), are also directors of TECO Energy as reported in its definitive proxy statement dated March 4, 2002, for its Annual Meeting of Shareholders held on April 17, 2002.</p>			

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent: if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants or rights were issued on a prorata basis.

<p>1. Give date of the latest closing of the stock book prior to the end year, and state the purpose of such closing:</p>	<p>2. State the total number of votes cast at the latest general meeting prior to the end of year for the election of directors of the respondents and number of such votes cast by proxy.</p> <p style="text-align: center;">Total: By Proxy:</p>	<p>3. Give the date and place of such meeting:</p>
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	<p>VOTING SECURITIES</p> <p>Number of votes as of (date):</p>
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Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	NONE				
5					
6					
7	Peoples Gas System, as a division of Tampa Electric Company has no outstanding shares of common stock. All outstanding shares of Tampa Electric Company common stock are held by its parent, TECO Energy, Inc.				
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IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights:

Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases,

development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 8, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. Estimate increase or decrease in annual revenues due to important rate changes: State effective rate and approximate amount of increase or decrease from each revenue classification. State the number of customers affected.

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.

None

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2001		
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year	Balance at End of Year
	(a)	(b)	(c)	(d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	20-21	\$632,366,197	\$699,637,157
3	Construction Work in Progress (107)	20-21	26,726,263	21,277,544
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		659,092,460	720,914,701
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	20-21	222,291,741	238,396,987
6	Net Utility Plant (Enter Total of line 4 less 5)		436,800,719	482,517,714
7	Utility Plant Adjustments (116)	19		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125-128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		-	-
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	(1,019,705)	(940,711)
19	Special Deposits (132-134)	-	37,352	34,546
20	Working Funds (135)	-	16,475	16,119
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-	-	1,550,000
23	Customer Accounts Receivable (142)	-	34,592,417	25,588,201
24	Other Accounts Receivable (143)	-	1,259,828	626,420
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	(307,726)	(316,147)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Assoc. Companies (146)	-		
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Elec) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	938,190	842,447
32	Merchandise (155)	-	77,200	-
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Undgrd. & Liq. Nat. Gas Stored (164.1-164.3)	-		
36	Prepayments (165)	32	612,021	519,632
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-	11	-
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	19,779,152	16,261,371
41	Miscellaneous Current and Accrued Assets (174)	-	-	(132,680)
42	TOTAL Current and Accrued Assets (Enter Total of lines 18 through 41)		55,985,215	44,049,198
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	38	1,025,006	1,358,892
45	Extraordinary Property Losses (182.1)	32		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	32		
47	Other Regulatory Assets (182.3)	33		
48	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	34	1,997,780	1,473,180
52	Def. Losses from Disposition of Utility Plant. (187)	-		
53	Research, Devel. and Demonstration Expend. (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	39		
55	Accumulated Deferred Income Taxes (190)	35	-	-
56	Unrecovered Purchased Gas Costs (191)	-	17,467,446	(652,710)
57	TOTAL Deferred Debits (Enter Total of lines 44 through 56)		20,490,232	2,179,362
58	TOTAL Assets and other Debits (Enter Total of lines 6, 7, 8, 16, 42, 57)		\$513,276,166	\$528,746,274

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
PROPRIETARY CAPITAL				
1				
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-211) & Accounts 212, 213, 214	-	101,550,169	129,550,169
5	Retained Earnings (215, 215.1, 216)	15-16		
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	15-16	112,775,496	111,598,237
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Enter Total of lines 2 through 7)		214,325,665	241,148,406
LONG-TERM DEBT				
9				
10	Bonds (221)	37		
11	(Less) Reacquired Bonds (222)	37		
12	Advances from Associated Companies (223)	37		
13	Other Long-Term Debt (224)	37	120,800,000	144,700,000
14	Unamortized Premium on Long-Term Debt (225)	38	1,316,233	505,000
15	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	38		
16	TOTAL Long-Term Debt (Enter Total of lines 10 through 15)		122,116,233	145,205,000
OTHER NONCURRENT LIABILITIES				
17				
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-		
21	Accumulated Provision for Pensions and Benefits (228.3)	-	5,812,998	5,804,419
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Enter Total of lines 18 through 23)		5,812,998	5,804,419
CURRENT AND ACCRUED LIABILITIES				
25				
26	Notes Payable (231)	-	53,100,000	61,220,000
27	Accounts Payable (232)	-	41,724,685	18,159,534
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-	9,576,591	1,467,215
30	Customer Deposits (235)	-	25,916,982	27,563,769
31	Taxes Accrued (236)	41	(5,478,180)	(4,061,288)
32	Interest Accrued (237)	-	4,777,768	4,399,862
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	2,894,370	1,527,492
37	Miscellaneous Current and Accrued Liabilities (242)	43	7,843,092	4,715,331
38	Obligations Under Capital Leases-Current (243)	-		
39				
40	TOTAL Current and Accrued Liabilities (Enter Total of lines 26 through 39)		140,355,308	114,991,914
DEFERRED CREDITS				
41				
42	Customer Advances for Construction (252)	-	1,683,694	1,852,080
43	Other Deferred Credits (253)	43	42,175	25,025
44	Other Regulatory Liabilities (254)	45	601,506	601,506
45	Accumulated Deferred Investment Tax Credits (255)	42	315,420	272,033
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	39		
48	Accumulated Deferred Income Taxes (281-283)	44	28,023,167	18,845,891
49	TOTAL Deferred Credits (Enter Total of lines 42 through 48)		30,665,962	21,596,535
50				
51	TOTAL Liabilities and Other Credits (Enter Total of lines 8, 16, 24,			
52	40 and 49)		\$513,276,166	\$528,746,274

STATEMENT OF INCOME

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.
3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use page 19 for important notes regarding the statement of income or any account thereof.
5. Give concise explanations on page 19 concerning

- unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations on page 19 concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	46-47	\$352,883,592	\$314,458,831
3	Operating Expenses			
4	Operation Expenses (401)	49-51	245,689,486	215,794,231
5	Maintenance Expenses (402)	49-51	3,666,394	3,773,211
6	Depreciation Expense (403)	55	27,061,996	24,975,519
7	Amort. & Depl. of Utility Plant (404-405)	55	84,469	(29,080)
8	Amort. of Utility Plant Acq. Adj. (406)	-	156,371	156,372
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amort. of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3) Environmental Amortization	-	639,996	639,996
12	(Less) Regulatory Credits (407.4)	-		
13	Taxes Other Than Income Taxes (408.1)	41	24,529,110	22,110,949
14	Income Taxes - Federal (409.1)	41	19,765,827	7,060,664
15	- Other (409.1)	41	3,615,825	1,542,677
16	Provision for Deferred Inc. Taxes (410.1)	35, 44	(9,126,095)	4,725,761
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	35, 44		
18	Investment Tax Credit Adj. - Net (411.4)	42	(43,387)	(43,387)
19	(Less) Gains from Disp. of Utility Plant (411.6)	-		
20	Losses from Disp. of Utility Plant (411.7)	-		
21	(Less) Gains from Disposition of Allowances (411.8)	-		
22	Losses from Disposition of Allowances (411.9)	-		
23	TOTAL Utility Operating Expenses (Total of lines 4 -22)		316,039,992	280,706,913
24	Net Utility Operating Income (Total of line 2 less 23) (Carry forward to page 14, line 25)		\$36,843,600	\$33,751,918

STATEMENT OF INCOME (Continued)

revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 19.

8. Enter on page 19 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of

allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 22, and report the information in the blank space on page 19 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
		\$352,883,592	\$314,458,831			1
						2
						3
		245,689,486	215,794,231			4
		3,666,394	3,773,211			5
		27,061,996	24,975,519			6
		84,469	(29,080)			7
		156,371	156,372			8
						9
						10
		639,996	639,996			11
						12
		24,529,110	22,110,949			13
		19,765,827	7,060,664			14
		3,615,825	1,542,677			15
		(9,126,095)	4,725,761			16
						17
		(43,387)	(43,387)			18
						19
						20
						21
						22
		316,039,992	280,706,913			23
						24
		\$36,843,600	\$33,751,918			

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2001		
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 12)		\$36,843,600	\$33,751,918
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	(371,791)	(611,996)
	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	15-16		
35	Interest and Dividend Income (419)	-	786,164	288,736
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-	752,899	1,422,476
38	Gain on Disposition of Property (421.1)	-		
39	TOTAL Other Income (Enter Total of lines 29 through 38)		1,167,272	1,099,216
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	56	-	-
43	Miscellaneous Income Deductions (426.1-426.5)	56	223,510	10,506
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		223,510	10,506
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	41		
47	Income Taxes - Federal (409.2)	41	312,076	360,268
48	Income Taxes - Other (409.2)	41	51,907	60,089
49	Provision for Deferred Income Taxes (410.2)	35, 44		(1,467)
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	35, 44		
51	Investment Tax Credit Adj. - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)		363,983	418,890
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		579,779	669,820
55	Interest Charges			
56	Interest on Long-Term Debt (427)	37	10,680,263	7,488,540
57	Amortization of Debt Disc. and Expense (428)	38	284,497	286,692
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amort. of Premium on Debt - Credit (429)	38	(811,233)	(351,700)
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Assoc. Companies (430)	56		
62	Other Interest Expense (431)	56	4,144,858	5,215,750
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		14,298,385	12,639,282
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)		23,124,994	21,782,456
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	41		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)			
72	Net Income (Enter Total of lines 65 and 71)		\$23,124,994	\$21,782,456

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
STATEMENT OF RETAINED EARNINGS			
<p>1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 19.</p>			
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$112,775,496
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		-
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)		23,124,995
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 20)		
23	Dividends Declared - Preferred Stock (Account 437)		
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 27)		
30	Dividends Declared - Common Stock (Account 438)		
31	(Peoples Gas System share of Tampa Electric Company		24,220,754
32	dividend)		
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 34)		24,220,754
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	FAS 133 Other Comprehensive Income	174	(81,499)
39	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36, 37 and 38)		\$111,598,237

STATEMENT OF RETAINED EARNINGS (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	-0-
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal (Account 215.1)	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	-0-
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)(Enter Total of lines 45 & 46)	-0-
48	TOTAL Retained Earnings (Account 215, 215.1, 216)(Enter Total of lines 38 and 47)	\$111,598,237
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	-0-
50	Equity in Earnings for Year (Credit) (Account 418.1)	
51	(Less) Dividends Received (Debit)	
52	Other Changes (Explain)	
53	Balance - End of year	-0-

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2001
STATEMENT OF CASH FLOWS		
<p>1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 19. Information about noncash investing and financing activities should be provided on page 19. Provide also on page 19 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.</p> <p>2. Under "Other" specify significant amounts and group others.</p> <p>3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 19 the amounts of interest paid (net of amounts capitalized) and income taxes paid.</p>		
Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow From Operating Activities:	
2	Net Income (Line 72(c) on page 14)	\$23,124,995
3	Non-Cash Charges (Credits) to Income:	
4	Depreciation and Depletion	27,061,996
5	Amortization of (Specify) Utility Plant	84,469
6	Acquisition Adjustment	156,372
7	Environmental	639,996
8	Deferred Income Taxes (Net)	(9,126,095)
9	Investment Tax Credit Adjustments (Net)	(43,387)
10	Net (Increase) Decreases in Receivables	8,096,045
11	Net (Increase) Decreases in Inventory	172,943
12	Net (Increase) Decreases in Allowances Inventory	
13	Net (Decrease) Increase in Payables and Accrued Expenses	(33,483,394)
14	Net (Increase) Decreases in Other Regulatory Assets	
15	Net (Decrease) Increase in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Net (Increase) Decreases in Other Current and Accrued Assets	3,612,988
19	Net (Increase) Decreases in Deferred Debits	17,670,874
20	Net (Decrease) Increase in Deferred Credits and Other Noncurrent Liabilities	(668,576)
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 20)	37,299,224
22		
23	Cash Flows from Investment Activities:	
24	Construction and Acquisition of Plant(including land):	
25	Gross Additions to Utility Plant	(73,019,832)
26	Gross Additions to Common Utility Plant	
27	Gross Additions to Nonutility Plant	
28	(Less) Allowance for Other Funds Used During Construction	
29	Other:	
30		
31		
32		
33	Cash Outflows for Plant (Total of lines 24 through 32)	(73,019,832)
34		
35	Acquisition of Other Noncurrent Assets (d)	
36	Proceeds from Disposal of Noncurrent Assets (d)	
37	Investment in and Advances to Assoc. and Subsidiary Companies	
38	Contributions and Advances from Assoc. and Subsidiary Companies	
39	Disposition of Investments in (and Advances to)	
40	Associated and Subsidiary Companies	
41	Purchases of Investment Securities (a)	
42	Proceeds from Sales of Investment Securities (a)	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2001
STATEMENT OF CASH FLOWS (Continued)		
4. Investing Activities		
<p>Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 19.</p> <p>Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 19.</p>		
Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in	
52	Allowances Held for Speculation	
53	Net Increase (Decrease) in Payables and Accrued Expenses	
54	Other:	
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 33 through 55)	(73,019,832)
58		
59	Cash Flows From Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	40,000,000
62	Preferred Stock	
63	Common Stock	
64	Equity Contribution from Parent	28,000,000
65	Other	
66	Net Increase in Short-term Debt (c)	
67	Other:	
68		
69		
70	Cash provided by Outside Sources (Total of lines 61 through 69)	68,000,000
71		
72	Payments of Retirement of:	
73	Long-Term Debt (b)	(16,911,000)
74	Preferred Stock	
75	Common Stock	
76	Other:	811,000
77		
78	Net Increase in Short-Term Debt (c)	8,120,000
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	(24,220,754)
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 through 81)	35,799,246
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 21, 57, and 83)	78,638
87		
88	Cash and Cash Equivalents at Beginning of Year	(1,003,230)
89		
90	Cash and Cash Equivalents at End of Year	(924,592)

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 12-18, such notes may be attached hereto.

The 2001 financial statements filed with the Securities and Exchange Commission in Tampa Electric Company's Annual Report on Form 10-K included the financial results of the electric division of Tampa Electric Company and Peoples Gas System. Attached are the Notes to the Financial Statements relevant to Peoples Gas System.

NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Basis of Accounting

Peoples Gas System's regulated gas operations maintain their accounts in accordance with recognized policies prescribed or permitted by the Florida Public Service Commission (FPSC). In addition, Peoples Gas System 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.

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

Basis of Reporting

The financial statements are presented in accordance with the reporting requirements of the Federal Energy Regulatory Commission. Accordingly, the statements of retained earnings and cash flow for the prior year have been omitted and the current portion of long-term debt has not been classified as such. The current portion of long-term debt was \$54,900,000 and \$16,100,000 at December 31, 2001 and 2000, respectively.

Peoples Gas System does not publish an annual report for distribution to any security holders; Peoples Gas System is a subsidiary of Tampa Electric Company whose annual report includes the accounts of Peoples Gas System in published consolidated financial statements.

Revenues and Fuel Costs

Revenues include amounts resulting from cost recovery clauses which provide for monthly billing charges to reflect increases or decreases in fuel, purchased capacity, 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 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 debits.

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 company accrues base revenues for services rendered but unbilled to provide a closer matching of revenues and expenses.

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 3.9% for 2001 and 4.2% for 2000.

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

The company periodically assesses whether there has been a permanent impairment of its long-lived assets and

certain intangibles held and used by it, in accordance with FAS 121, Accounting for the Impairment of Long-lived Assets and Long-Lived Assets to be Disposed of. No write-down of assets due to impairment was required in 2001 or 2000.

Reporting Comprehensive Income

In 1997, the Financial Accounting Standards Board issued FAS 130, Reporting Comprehensive Income, effective for fiscal years beginning after Dec. 15, 1997. The new 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 of \$81,499 in its Statements of Common Equity for 2001.

Deferred Income Taxes

The liability method is utilized 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. Peoples Gas System is regulated, and their books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding net 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.

Accounting for Derivative Instruments and Hedging

In 1998, the Financial Accounting Standards Board issued FAS 133, Accounting for Derivative Instruments and Hedging, effective for fiscal years beginning after June 15, 1999. The new standard requires that an entity 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 net income, depending on the types of those instruments. Peoples Gas System does not use derivatives or other financial products for speculative purposes. From time to time, the company enters into futures, swaps, and option contracts, to limit exposure to gas price fluctuations for future purchases. As such, most of the company's derivative activity that cannot be excluded from the requirements of FAS 133, receives cash flow hedge accounting treatment. At December 31, 2001, Peoples Gas System had a swap liability of \$132,680.

Reclassifications and Restatements

Certain prior year amounts were reclassified or restated to conform with current year presentation.

B. Retained Earnings

Certain of Peoples Gas System's 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.

C. Retirement Plan

Peoples Gas System is a participant in the comprehensive retirement plan 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 salary. 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., remain 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. 31, 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. 31, 2001.

In 1997, the Financial Accounting Standards Board issued FAS 132, Employers' Disclosures about Pensions and Other Post Retirement Benefits. FAS 132 standardizes the disclosure requirements for pension and other postretirement benefits with additional information required on changes in the benefit obligations and fair values of plan assets. TECO Energy adopted FAS 132 with the additional disclosures included here and in Footnote E, Postretirement Benefit Plan.

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

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 (millions)	<u>2001</u>	<u>2000</u>
Service cost (benefits earned during the period)	\$11.2	\$10.7
Interest cost on projected benefit obligations	27.9	27.5
Less: Expected return on plan assets	(42.0)	(40.8)
Amortization of:		
Unrecognized transition asset	(1.1)	(1.0)
Prior service cost	(0.5)	0.2
Actuarial (gain) loss	(4.4)	(5.6)
Net pension expense	<u>(8.9)</u>	<u>(9.0)</u>
Special termination benefit charge	--	1.1
Curtailment charge	<u>--</u>	<u>--</u>
Net pension expense recognized in TECO Energy's Consolidated Statements of Income (1)	<u><u>\$(8.9)</u></u>	<u><u>\$(7.9)</u></u>

(1) Peoples Gas System's portion was \$(.9) million and \$(1.6) million for 2001 and 2000 respectively.

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

	<u>Dec. 31,</u> <u>2001</u>	<u>Dec. 31,</u> <u>2000</u>
Projected benefit obligation, beginning of year	\$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
Curtailments	(6.2)	(14.4)
Special termination benefits	--	1.1
Gross benefits paid	(21.8)	(23.2)
Projected benefit obligation, end of year	<u>382.3</u>	<u>379.9</u>
Fair value of plan assets, beginning of year	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	(24.2)	(26.1)
Fair value of plan assets, end of year	<u>428.0</u>	<u>493.8</u>
Funded status, end of year	45.7	113.9
Net contributions after measurement date		
Unrecognized net actuarial gain	0.4	--
	(44.0)	(127.8)
Unrecognized prior service cost	(9.0)	(3.3)
Unrecognized net transition asset	(3.6)	(4.7)
Accrued pension liability (2)	<u><u>\$(10.5)</u></u>	<u><u>\$(21.9)</u></u>

(2) Peoples Gas System's portion was \$5.9 million and \$7.5 million at Dec. 31, 2001 and 2000, respectively.

Assumptions Used in Determining Actuarial Valuations

	<u>2001</u>	<u>2000</u>
Discount rate to determine projected benefit obligation	7.50%	7.50%
Rates of increase in compensation levels	4.70%	4.70%
Plan asset growth rate through time	9%	9%

D. Postretirement Benefit Plan

Peoples Gas System currently provides certain postretirement health care benefits for substantially all employees retiring after age 55 meeting certain service requirements. The company contribution toward health care coverage for most employees retiring after Jan. 1, 1990 is limited to a defined dollar benefit based on years of service. Postretirement benefit levels are substantially unrelated to salary. Peoples Gas System reserves the right to terminate or modify the plan in whole or in part at any time.

Components of Postretirement Benefit Cost (millions)

	<u>2001</u>	<u>2000</u>
Service cost (benefits earned during the period)	0.4	0.3
Interest cost on projected benefit obligations	0.6	0.5
Amortization of transition obligation (straight line over 20 years)	0.2	0.2
Amortization of Prior Service Cost	0.2	0.2
Amortization of actuarial loss/(gain)	<u>(0.1)</u>	<u>(0.2)</u>
Net periodic Postretirement benefit expense	<u>1.3</u>	<u>1.0</u>

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

	<u>Dec. 31, 2001</u>	<u>Dec. 31, 2000</u>
Accumulated postretirement benefit obligation, beginning of year	7.2	4.3
Change in benefit obligation due to:		
Service cost	0.4	0.3
Interest cost	0.5	0.5
Plan participants' contributions	0.1	0.1
Plan amendments	0.0	2.7
Actuarial (gain) loss	(0.5)	(0.4)
Gross benefits paid	<u>(0.3)</u>	<u>(0.3)</u>
Accumulated postretirement benefit obligation, end of year	<u>7.4</u>	<u>7.2</u>
Funded status, end of year	(7.4)	(7.3)
Net contribution after measurement date	0.1	--
Unrecognized net loss from past experience	(3.1)	(2.6)
Unrecognized prior service cost	2.8	3.0
Unrecognized transition obligation	2.8	3.0
Liability for accrued postretirement benefit	<u>(4.8)</u>	<u>(3.9)</u>

Assumptions Used in Determining Actuarial Valuations

	<u>2001</u>	<u>2000</u>
Discount rate to determine projected benefit obligation	7.50%	7.50%

The assumed health care cost trend rate for medical costs prior to age 65 was 5.50% in 2001 and decreases to 5.00% in 2002 and thereafter. The assumed health care cost trend rate for medical costs after age 65 was 5.30% in 2001 and decreases to 5.00% in 2002 and thereafter.

A 1-percent increase in the medical trend rates would produce an 8-percent (\$66 thousand) increase in the aggregate service and interest cost for 2001 and an 8-percent (\$568 thousand) increase in the accumulated postretirement benefit obligation as of Dec. 31, 2001.

A 1-percent decrease in the medical trend rates would produce a 5-percent (\$45 thousand) decrease in the aggregate service and interest cost for 2001 and a 4-percent (\$301 thousand) decrease in the accumulated postretirement benefit obligation as of Dec. 31, 2001.

E. 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 of dollars)	<u>Federal</u>	<u>State</u>	<u>Total</u>
2001			
Currently payable	20.0	3.7	23.7
Deferred	(7.5)	(1.6)	(9.1)
Amortization of investment tax credits	0.0	--	0.0
Total income tax expense	<u>12.5</u>	<u>2.1</u>	14.6
Included in other income, net			<u>0.4</u>
Included in operating expenses			<u>14.2</u>
2000			
Currently payable	7.4	1.6	9.0
Deferred	4.4	0.3	4.7
Amortization of investment tax credits	0.0	--	0.0
Total income tax expense	<u>11.8</u>	<u>1.9</u>	13.7
Included in other income, net			<u>0.4</u>
Included in operating expenses			<u>13.3</u>

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 of dollars)	Dec. 31, <u>2001</u>	Dec. 31, <u>2000</u>
Deferred tax assets(1)		
Property related	--	--
Energy Conservation Allowance	--	--
Leases	--	--
Insurance reserves	--	--
Early capacity payments	--	--
Other	--	--
Total deferred income tax assets	<u>0.0</u>	<u>0.0</u>
Deferred income tax liabilities(1)		
Property related	(32.0)	(30.0)
Other	13.2	2.0
Total deferred income tax liabilities	<u>(18.8)</u>	<u>(28.0)</u>
Accumulated deferred income taxes	<u>(18.8)</u>	<u>(28.0)</u>

(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 of dollars)	<u>2001</u>	<u>2000</u>
Net income	23.1	21.8
Total income tax provision	<u>14.6</u>	<u>13.7</u>
Income before income taxes	<u>37.7</u>	<u>35.5</u>
Income taxes on above at federal statutory rate of 35%	13.2	12.4
Increase (decrease) due to State income tax, net of federal income tax	1.4	1.3
Amortization of investment tax credits	--	--
Equity portion of AFUDC	--	--
Other	0.0	0.0
Total income tax provision	<u>14.6</u>	<u>13.7</u>
Provision for income taxes as a percent of income before income taxes	<u>38.7%</u>	<u>38.6%</u>

H. 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.

I. Related Party Transactions (millions)

Net transactions with affiliates are as follows:

	<u>2001</u>	<u>2000</u>
Administrative and general, net	\$18.3	\$8.1

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

	<u>2001</u>	<u>2000</u>
Accounts receivable	\$3.6	\$11.4
Accounts payable	\$0.8	\$16.1

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

J. Commitments and Contingencies

Peoples Gas System's capital expenditures are estimated to be \$62 million for 2002 and \$242 million for 2003 through 2006 for infrastructure expansion to grow the customer base and normal asset replacement.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	620,789,143	
4	101.1 Property Under Capital Leases		
5	102 Plant Purchased or Sold		
6	106 Completed Construction not Classified	73,370,388	
7	103 Experimental Plant Unclassified		
8	104 Leased to Others		
9	105 Held for Future Use	228,955	
10	114 Acquisition Adjustments	5,248,671	
11	TOTAL Utility Plant (Enter Total of lines 3 through 10)	699,637,156	
12	107 Construction Work in Progress	21,277,544	
13	Accum. Prov. for Depr., Amort., & Depl.	(238,396,987)	
14	Net Utility Plant (Enter total of lines 11 plus 12 less line 13)	482,517,714	
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	(234,653,432)	
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights		
19	111 Amort. of Underground Storage Land and Land Rights		
20	119 Amort. of Other Utility Plant	(1,411,438)	
21	TOTAL in Service (Enter Total of lines 17 through 20)	(236,064,870)	
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Enter Total of lines 23 and 24)		
26	Held for Future Use		
27	108 Depreciation		
28	111 Amortization		
29	TOTAL Held for Future Use (Enter Tot. of lines 27 and 28)		
30	111 Abandonment of Leases (Natural Gas)		
31	115 Amort. of Plant Acquisition Adjustment	(2,332,117)	
32	TOTAL Acc. Provisions (Should agree with line 13 above) (Enter Total of lines 21, 25, 29, 30, and 31)	(238,396,987)	

Name of Respondent For the Year Ended

Peoples Gas System

Dec. 31, 2001

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)

Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
620,789,143					3
					4
					5
73,370,388					6
					7
					8
228,955					9
5,248,671					10
699,637,156					11
21,277,544					12
(238,396,987)					13
					14
482,517,714					15
					16
					17
(234,653,432)					18
					19
					20
(1,411,438)					21
(236,064,870)					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
(2,332,117)					32
					33
(238,396,987)					

**Annual Status Report
Analysis of Plant in Service Accounts**

Company: Peoples Gas System
For the Year Ended December 31, 2001

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass. Adjustments	Transfers	Ending Balance*
374-00	Land-Distribution		1,246,580	0	(10,716)			1,663,873
374-00	Land-Distribution WFG		270,393	157,616				
Amortizable General Plant Assets:								
301-00	Organization		11,636					12,620
301-00	Organization WFG		984					
302-00	Franchises and Consents		391,326					427,466
302-00	Franchises and Consents WFG		36,140					
303-00	Miscellaneous Intangible Plant WFG		815,325					815,325
374-02	Land Rights		1,072,516					1,088,764
374-02	Land Rights WFG		0	16,248				
386-08	NGV Projects		316,004		(55,828)			316,004
390-02	Improvements to Leased Property		84,044					28,216
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.								
303-01	Customized Software	9.5%	840,078			(612)		839,466
375-00	Structures and Improvements	2.7%	14,659,459	355,531	(3,938,933)	(4,468)		11,071,589
376-00	Mains - Other than Plastic	4.1%	191,691,267	1,558,898	(565,140)	(54,381)		192,630,644
376-02	Mains - Plastic	2.6%	112,033,728	1,276,579	(47,608)	(22,442)		113,240,257
378-00	Measuring and Regulating Stations - General	3.3%	2,745,469	100,680	(35,956)	(88)		2,810,105
378-00	Measuring and Regulating Stations - City Gate	3.1%	4,402,202	495,672	(36,513)	(180)		4,861,180
380-00	Service Lines - Other than Plastic	6.7%	33,907,562	1,306,387	(454,608)	(24,453)	(107,598)	34,627,289
380-02	Service Lines - Plastic	3.7%	84,029,233	10,355,016	(536,647)	(959)	107,598	93,954,241
381-00	Meters	3.4%	22,177,722	3,307,805	(2,833,066)	(10,837)		22,641,623
382-00	Meter Installations	8.0%	19,074,941	2,346,396	(449,394)	(256)		20,971,688
383-00	Regulators	3.5%	6,521,833	609,824		(224)	(9,136)	7,122,296
384-00	Regulator Installations	7.4%	6,312,228	781,835	(99,801)			6,994,261
385-00	Industrial Meas. & Reg. Sta. Eqpt.	3.0%	7,818,668	395,551	(3,314)	(52)	9,136	8,219,990
387-00	Other Distribution Equipment	7.9%	1,031,417	104,747	(47,514)	(103)		1,088,547
391-00	Office Furniture and Equipment	6.7%	2,479,698	0	(49,629)		(136,337)	2,293,732
391-01	Computer Equipment	9.5%	16,164,361	466,879	(210,593)	(26,396)	(327,513)	16,066,738
391-02	Office Machines	4.5%	446,164	18,199	(10,004)		(3,820)	450,539
392-01	Automobiles & Trucks thru 1 Ton	9.5%	8,682,590	1,818,117	(1,297,856)	(63,336)	(200,417)	8,939,099
392-03	Airplanes	6.3%	0	9,952,997	(3,923,281)			6,029,716
392-04	Other Transportation Equipment	3.3%	246,031	9,267	(12,978)			242,320
392-05	Trucks over 1 Ton	5.3%	702,122	203,416	(59,837)		26,121	869,744
393-00	Stores Equipment	11.3%	69,060	88,207	(8,777)			60,283
394-00	Tools, Shop and Garage Equipment	7.9%	2,908,782		(81,364)			2,913,184
395-00	Laboratory Equipment	5.4%	111,838	63,704	(126,278)	(163)		111,675
396-00	Power Operated Equipment	6.9%	1,665,634		(204,182)	(139)		1,602,921
397-00	Communication Equipment	4.6%	3,398,833	4,854	(200)	(286)		3,194,365
398-00	Miscellaneous Equipment	5.5%	157,284					161,937

**Annual Status Report
Analysis of Plant in Service Accounts**

Company: Peoples Gas System
For the Year Ended December 31, 2001

Page 2 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
WEST FLORIDA									
303-01	Customized Software WFG	14.8%	10,414						10,414
375-00	Structures and Improvements	6.7%	119,309	65,418					184,727
376-00	Mains - Other than Plastic	3.2%	8,188,043	6,630	(7,949)		(57)	1,210	8,187,877
376-02	Mains - Plastic	2.8%	20,427,555	196,097				1,442	20,625,095
378-00	Measuring and Regulating Stations - General	3.7%	259,840	1,842	(17,413)				244,269
378-01	Meas. and Regulating Sta. - General/Electronic	16.8%	117,248						117,248
379-00	Measuring and Regulating Stations - City Gate	3.5%	638,839	4,158	(40,616)				602,381
379-01	Meas. and Regulating Sta. - City Gate/Electronic	16.7%	0						0
380-00	Service Lines - Other than Plastic	3.3%	755,490	7,119	(12,958)			(2,597)	747,054
380-02	Service Lines - Plastic	3.3%	9,267,326	1,607,506	(43,615)		(2,969)	(55)	10,828,194
381-00	Meters	3.7%	2,224,939		(98,848)		(157)		2,125,934
381-01	Meters - Electronic	9.6%	3,190						3,190
382-00	Meter Installations	2.6%	2,147,597	489,147	(34,836)		(4)		2,601,903
383-00	Regulators	3.8%	1,278,975	77,978					1,356,953
384-00	Regulator Installations	2.9%	1,080,367	163,049	(13,411)				1,230,004
385-00	Industrial Meas. & Reg. Sta. Eqpt.	3.0%	210,125	32,651					242,776
387-00	Other Equipment	7.9%	24,819	3,185					28,004
390-00	Structures and Improvements	2.7%	966,118		(1,756)				964,362
391-00	Office Furniture and Equipment	5.2%	270,208	9,633	(181,026)				98,815
391-01	Computer Equipment	14.8%	197,278	28,721	(3,885)		(12,171)	(15,246)	194,698
391-02	Office Machines	13.5%	14,898						14,898
391-03	Computer Equipment - New	16.6%	615,465		(267,741)				347,725
392-01	Automobiles & Trucks thru 1 Ton	17.0%	417,473	220,006				(25,442)	612,038
392-04	Other Transportation Equipment	6.8%	13,915						13,915
392-05	Trucks over 1 Ton	8.3%	366,301		(76,299)			(19,944)	270,058
394-00	Tools, Shop and Garage Equipment	7.5%	218,813	2,290	(22,766)		(4)		198,332
394-01	Tools, Shop -CNG Equipment	6.7%	168,986						168,986
395-00	Laboratory Equipment	3.8%	17,902						17,902
396-00	Power Operated Equipment	6.4%	171,700		(2,649)				169,051
397-00	Communication Equipment	14.2%	195,458	5,948	(131,820)				69,586
398-00	Miscellaneous Equipment	5.5%	151,058						151,058
NON-UTILITY									
386	Other Prop on Customer's Premises								
	Mfg Prod Gas Plant								

**Annual Status Report
Analysis of Plant in Service Accounts**

Company: Peoples Gas System
For the Year Ended December 31, 2001

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass. Adjustment	Transfers	Ending Balance*
(Continued)								
Capital Recovery Schedules:								
Total Account 101*								
	Amortizable Assets:		599,062,801	38,715,802	(16,057,607)	0	(228,256)	620,789,143
114	Acquisition Adjustment		2,301,792					5,248,671
114	Acquisition Adjustment WFG		2,946,879					
118	Other Utility Plant							228,955
105	Property Held for Future Use		228,955					
Total Utility Plant			604,540,426					626,266,769

Note: * The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System
For the Year Ended December 31, 2001

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301-20	Organization	(3,116)	(15,651)							(3,116)
302-20	Franchises and Consents	(247,399)								(247,399)
302-20	Franchises and Consents WFG	(35,992)								(35,992)
303-20	Miscellaneous Intangible Plant WFG	(224,839)	(32,610)							(257,449)
374-22	Land Rights	(531,700)	(36,208)							(567,908)
374-22	Land Rights WFG**	0								0
390-22	Improvements to Leased Property	(84,044)			55,828					(28,216)
SUB-TOTAL		(1,127,090)	(84,469)	0	55,828	0	0	0	0	(1,155,731)
Items necessary to reconcile the total amortization accrual amount to Acct. 404.03, Amortization Expense, shown on page 12.										
386-28	NGV Projects	(225,773)	(29,934)							(255,707)
TOTAL		(1,352,863)	(114,403)	0	55,828	0	0	0	0	(1,411,438)
Note: * The total ending balance must agree to Line 20, Page 20.										
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
303-51	Customized Software	(113,118)	(189,373)							(302,491)
374-00	Land	28,776			10,716			(10,716)		28,776
375-50	Structures and Improvements	(2,988,426)	(429,431)		3,938,933	(3,002,010)	33,431	(495)		(2,447,998)
376-50	Mains - Other than Plastic	(82,947,044)	(8,838,158)		565,140		115,141			(91,104,921)
376-52	Mains - Plastic	(24,606,715)	(3,143,668)		47,608		1,230			(27,700,544)
378-50	Measuring and Regulating Sta.- General	(825,327)	(132,168)		35,956		5,204			(916,335)
379-50	Measuring and Regulating Sta.- City Gate	(1,374,698)	(142,322)		36,513				11,640	(1,480,507)
380-50	Service Lines - Other than Plastic	(26,516,282)	(2,291,574)		454,608	(4,325)	827,033		(11,640)	(27,518,899)
380-52	Service Lines - Plastic	(25,942,003)	(3,259,273)		536,647		427,569			(28,248,701)
381-50	Meters	(8,271,753)	(739,230)		2,833,066	(294,946)	335,983			(6,076,880)
382-50	Meter Installations	(7,130,652)	(1,587,344)		449,394		232,353			(8,036,249)
383-50	Regulators	(2,071,621)	(236,080)						1,227	(2,306,474)
384-50	Regulator Installations	(2,280,632)	(487,790)		99,801		327,374			(2,341,246)
385-50	Industrial Meas. & Reg. Sta. Eqpt.	(2,515,229)	(240,489)		3,314				(1,227)	(2,753,632)
387-50	Other Distribution Equipment	(394,171)	(105,563)		47,514					(462,220)
391-50	Office Furniture and Equipment	(216,293)	(160,537)		49,629				81,284	(245,917)
391-51	Computer Equipment	(8,243,965)	(1,638,026)		210,593				68,048	(9,603,350)
391-52	Office Machines	(189,898)	(20,738)		10,004				78	(200,553)
392-51	Automobiles & Trucks thru 1 Ton	(2,118,772)	(822,638)		1,297,856	(156,936)			17,555	(1,782,935)
392-53	Airplanes	324,994	(231,952)		3,923,281	(4,170,000)				(163,977)
392-54	Other Transportation Equipment	(104,835)	(8,321)		12,978	(3,300)				(103,478)
392-55	Trucks over 1 Ton	(472,715)	(44,428)		59,837	(5,650)			(9,409)	(472,365)
393-50	Stores Equipment	(69,060)	(26)		8,777					(60,309)
394-50	Tools, Shop and Garage Equipment	(1,503,702)	(232,143)		81,364	(900)				(1,655,381)
395-50	Laboratory Equipment	150,395	(5,921)					(13,000)		131,474
396-50	Power Operated Equipment	(985,693)	(114,772)		126,278	(4,000)				(978,188)
397-50	Communication Equipment	(916,307)	(152,515)		204,182					(864,640)
398-50	Miscellaneous Equipment	(43,201)	(9,194)		200					(52,195)
SUB-TOTAL		(202,336,949)	(25,263,673)	0	15,044,189	(7,582,067)	2,305,318	(24,211)	157,556	(217,699,937)

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System
For the Year Ended December 31, 2001

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)	WEST FLORIDA									
303-51	Customized Software WFG	(607)	(417)							(1,024)
374-22	Land Rights WFG**	0	(893)							(893)
375-50	Structures and Improvements	(12,843)	(11,356)		7,949				(48)	(24,198)
376-50	Mains - Other than Plastic	(4,222,048)	(266,516)						(119)	(4,488,663)
376-52	Mains - Plastic	(5,278,424)	(581,921)							(5,860,065)
378-50	Measuring and Regulating Stations - General	(52,309)	(9,292)		17,413					(44,187)
378-51	Meas. and Regulating Sta. - General/Electronic	(96,823)	(19,698)							(116,520)
379-50	Meas. and Regulating Stations - City Gate	(182,144)	(20,321)		40,616					(161,849)
379-51	Meas. and Reg. Sta. - City Gate/Electronic	(18,781)	(5,031)							(23,812)
380-50	Service Lines - Other than Plastic	(495,376)	(24,664)		12,958		25,838		165	(481,079)
380-52	Service Lines - Plastic	(2,172,837)	(326,750)		43,615		46,085			(2,409,887)
381-50	Meters	(1,239,557)	(80,280)		98,848					(1,220,989)
381-51	Meters - Electronic	(1,733)	(306)							(2,040)
382-50	Meter Installations	(452,020)	(60,643)		34,836		6,044			(471,783)
383-50	Regulators	(596,756)	(49,959)							(646,715)
384-50	Regulator Installations	(297,520)	(33,092)		13,411		13			(317,187)
385-50	Industrial Meas. & Reg. Sta. Equipment	(7,832)	(6,534)							(14,366)
387-50	Other Equipment	(1,644)	(2,608)							(4,252)
390-50	Structures and Improvements	(147,577)	(26,048)		1,756					(171,869)
391-50	Office Furniture and Equipment	(163,526)	(7,286)		181,026					10,214
391-51	Computer Equipment	(185,622)	(29,299)		3,985					(206,220)
391-52	Office Machines	(10,119)	(2,011)							(12,130)
391-53	Computer Equipment - New	(639,553)	(63,276)		267,741		21,890			(435,089)
392-51	Automobiles & Trucks thru 1 Ton	(151,516)	(84,317)							(213,943)
392-54	Other Transportation Equipment	(6,558)	(946)							(7,504)
392-55	Trucks over 1 Ton	(246,343)	(25,046)		76,299	(7,100)			6,553	(195,638)
394-50	Tools, Shop and Garage Equipment	(93,194)	(15,163)		22,766					(85,591)
394-51	Tools, Shop -CNG Equipment	(70,178)	(11,321)							(81,500)
395-50	Laboratory Equipment	(4,532)	(680)							(5,213)
396-50	Power Operated Equipment	(76,607)	(10,854)		2,649					(84,813)
397-50	Communication Equipment	(167,340)	(13,886)		131,820					(49,406)
398-50	Miscellaneous Equipment	(125,779)	(8,308)							(134,087)
SUB-TOTAL		(17,217,698)	(1,798,322)	0	957,590	(7,100)	99,871	0	11,367	(17,954,295)
319	NON-UTILITY Large Eqpt Mfg Gas Plant	0								0
320	Other Eqpt Mfg Gas Plant	0								0
386	Other Prop on Customer's Premises	0	0	0						0
		(0)								(0)

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
	(Continued)									
	Capital Recovery Schedules:	This schedule should identify each approved capital recovery schedule.								
	Subtotal	(219,554,647)	(27,061,996)	0	16,001,778	(7,589,167)	2,405,189	(24,211)	168,923	(235,654,132)

List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.

	RETIREMENT WORK IN PROGRESS(108)	791,516			208,688			496		1,000,700
	Subtotal	791,516	0	0	208,688	0	0	496	0	1,000,700
	Grand Total	(218,763,131)	(27,061,996)	0	16,210,467	(7,589,167)	2,405,189	(23,715)	168,923	(234,653,432)

Note: * The grand total of beginning and ending balances must agree to Line 17, Page 20.

115	Acquisition Adjustment	(2,175,745)	(156,372)							(2,332,117)
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Note: * The total ending balance must agree to Line 31, Page 20.

The contra account for this adjustment(accrual) is 425.

	TOTAL	(222,291,739)	(27,332,771)	0	16,266,295	(7,589,167)	2,405,189	(23,715)	168,923	(238,396,987)
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Note: * The total ending balance must agree to Line 13 and Line 32, Page 20.

**374-22 for WFG was incorrectly depreciated to 403 account. This will be corrected April 2002 so the amortization will properly go to the 404 account.

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2001
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)	

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Service Lines	87,456	0
2	Revenue Mains	8,447,999	35,484,025
3	Main Replacements	227,648	850,763
4	Distribution System Improvements	811,513	304,707
5	Governmental Improvements	2,003,955	3,162,341
6	Cathodic Protection	63,170	87,377
7	Transportation Vehicles	75,841	623,687
9	Communication Equipment	1,445,323	0
10	Office Furniture & Equipment	2,455,974	833,820
11	Tools, Shop & Garage Equipment	96,244	58,665
12	Power-Operated Equipment	12,423	27,693
13	Testing, Measuring & Detecting Equipment	292,120	0
14	Franchise Acquisitions	0	77,440
15	Improvements to Property	2,487,985	1,273,355
16	Improvements to Leased Property	10,827	3,339
17	Meters	1,461	0
18	Regulators	1,224	0
19	Alternative Fueling Stations	(5)	42
20	Industrial Installations	4,300	0
21	Measuring & Regulating Station Equipment	570,963	1,525,335
22	Major Projects	48,805	245,784
23	Meter & Regulator Installations - Residential	20,604	0
24	Meter & Regulator Installations - Commercial	7,875	0
34	Reimbursable Construction-Net	1,722,177	2,680,450
35	Non Revenue Producing Miscellaneous	342,490	0
36	Revenue Producing Miscellaneous	39,172	0
37			
38			
39			
40			
41	TOTAL	\$21,277,544	\$47,238,822

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
CONSTRUCTION OVERHEADS-GAS			
1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.	
2. On page 30 furnish information concerning construction overheads.		4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.	
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 30 the accounting procedures employed			
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Plant Accounting Department Costs and Supervision	1,046,613	76,800,097
2			
3	(These costs are allocated to C.W.I.P. as outlined in Instruction 4 above.)		
4			
5			
6	Corporate G & A	\$3,456,783	76,800,097
7			
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36			
37			
38	TOTAL	\$4,503,395	\$76,800,097

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

See Page 29

Certain other general and administrative costs, such as Engineering Department Labor, are charged to Construction Jobs when appropriate.

Name of Respondent					For the Year Ended	
Peoples Gas System					Dec. 31, 2001	
PREPAYMENTS (Account 165)						
1. Report below the particulars (details) on each prepayment.						
Line No.	Nature of Prepayment (a)					Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance					203,239
2	Prepaid Rents					
3	Prepaid Taxes (page 41)					
4	Prepaid Interest					180,409
5	Gas Prepayments					
6	Miscellaneous Prepayments: permits, escrow for st tags, syndicated line of cr fees.					135,985
7	TOTAL					519,632
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of loss; the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9	TOTAL					
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10	None					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	TOTAL					

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2001

OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	None					
2						
3						
4						
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39						
40						
41						
42						
43	TOTAL					

Name of Respondent					For the Year Ended	
Peoples Gas System					Dec. 31, 2001	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.			3. Minor items (amounts less than \$25,000) may be grouped by classes.			
2. For any deferred debit being amortized, show period of amortization in column (a).						
Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	Environmental Investigations	(\$364,548)	516,206	407	639,996	(488,338)
2						
3						
4	Other Work In Progress	\$2,362,328		Various	400,810	1,961,518
5						
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43						
44						
45						
46						
47	Misc. Work in Progress	-				-
48	Deferred Regulatory Comm. Expenses					
49	(See Pages 58 - 59)	-				-
50	TOTAL	\$1,997,780				\$1,473,180

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2001

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

3. If more space is needed, use separate pages as required.
4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR			ADJUSTMENTS			Balance at End of Year (k)
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS Amount (g)	CREDITS Amount (h)	
1	ELECTRIC								
2									
3									
4									
5	TOTAL Electric (Lines 2 - 4)								
6	GAS								
7									
8		0						0	0
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19	Other								
20	TOTAL Gas (Lines 7 - 19)								
21	Other (Specify)								
22	TOTAL (Account 190) (Enter Total of lines 5,20 & 21)							\$0	\$0

NOTES

SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate,

nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

Securities Retired

Long Term Note 10.35%	\$600,000
Long Term Note 10.33%	800,000
Long Term Note 10.30%	600,000
Long Term Note 09.93%	600,000
Long Term Note 08.00%	1,500,000
Long Term Note 05.94%	12,000,000
	<u>\$16,100,000</u>

Name of Respondent				For the Year Ended			
Peoples Gas System				Dec. 31, 2001			
LONG-TERM DEBT (Accounts 221, 222, 223, and 224)							
<p>1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes</p>				<p>during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.</p> <p>6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.</p> <p>7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.</p> <p>8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>9. Give particulars (details) concerning any long-term debt authorized by a regulatory Commission but not yet issued.</p>			
Line No.	Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	INTEREST FOR YEAR			Total Amount Outstanding (g)
				Original Amount Issued (d)	Rate (in %) (e)	Amount (f)	
1							
2	Other Long Term Debt - Acct. 224						
3	Long Term Note 10.35%	06-26-87	07-02-07	10,000,000	10.35	548,723	5,000,000
4	Long Term Note 10.33%	06-29-88	07-02-08	10,000,000	10.33	702,670	6,400,000
5	Long Term Note 10.30%	06-28-89	07-02-09	10,000,000	10.30	834,472	7,800,000
6	Long Term Note 9.93%	12-20-90	07-02-10	10,000,000	9.93	824,356	8,000,000
7	Long Term Note 8.00%	12-03-92	07-02-12	35,000,000	8.00	2,260,333	27,500,000
8	Long Term Note 7.375%	08-30-00	09-01-02	50,000,000	7.375	3,687,500	50,000,000
9	Note issued by Tampa Electric	10-30-98	07-15-01	12,000,000	5.94	386,100	-
10	Note issued by Tampa Electric	06-20-01	06-15-12	40,000,000	6.875	1,436,111	40,000,000
11							
12							
13							
14							
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16							
17							
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21							
22							
23							
24							
25							
26							
27	TOTAL			\$177,000,000		\$10,680,263	\$144,700,000

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

- | | |
|---|---|
| <p>1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.</p> <p>2. Show premium amounts by enclosing the figures in parentheses.</p> <p>3. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> | <p>5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p> <p>6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.</p> <p>7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.</p> |
|---|---|

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at Beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Unamortized Debt Expense - Account 181							
2								
3	26- Long Term Note 10.35%	10,000,000	23,604	09-87	07-07	7,712	(1,185)	6,527
4	28- Long Term Note 10.33%	10,000,000	11,350	08-88	07-08	4,287	(571)	3,716
5	29- Long Term Note 10.30%	10,000,000	13,131	08-89	07-09	5,607	(658)	4,949
6	32- Long Term Note 9.93%	10,000,000	88,318	03-91	07-10	4,916	(519)	4,397
7	33- Long Term Note 8.00%	35,000,000	976,684	01-93	07-12	576,513	(50,133)	526,380
8	01- West Florida Natural Gas	15,600,000	788,542	06-97	04-08	208,802	(80,074)	148,728
9	31- Note issued by Tampa Electric 5.94%	12,000,000	163,165	10-98	07-11	17,889	118,754	136,643
10	30- Long Term Note 7.375%	50,000,000	242,314	10-00	09-02	199,280	(105,322)	93,958
11	34- Long Term Note 6.875%	40,000,000	453,684	06-01	06-12		433,594	433,594
12						1,025,006	333,886	1,358,892
13								
14								
15	Unamortized Debt Premium - Account 225							
16	31- Note issued by Tampa Electric 5.94%	12,000,000	(297,600)	10-98	07-11	(53,733)	53,733	-
17	30- Long Term Note 7.375%	50,000,000	(1,515,000)	10-00	09-02	(1,262,500)	757,500	(505,000)
18								
19						(1,316,233)	811,233	(505,000)
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

<p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with</p>	<p>General Instruction 17 of the Uniform Systems of Accounts.</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.</p>
--	---

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	None					
2						
3						
4						
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Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2001
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>		
Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 14)	\$23,124,995
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	See attached schedule for details	1,300,000
6		
7	Deductions Recorded on Books Not Deducted for Return	
8	Income taxes - see attached schedule for details	10,949,462
9	Other items - see attached schedule for details	30,239,172
10		
11		
12		
13	Income Recorded on Books Not Included in Return	
14	See attached schedule for details	43,387
15		
16		
17		
18		
19		
20		
21	Deductions on Return Not Charged Against Book Income	
22	See attached schedule for details	15,193,115
23		
24		
25		
26		
27		
28		
29		
30	Federal Tax Net Income	50,377,127
31	Show Computation of Tax:	
32	Income before state taxes	54,047,203
33	Less - state income and emergency excise taxes, less credits	3,670,077
34		<u>50,377,126</u>
35	Federal income tax:	
36	Income tax at 35%	17,631,994
37	Prior year true-up provision to actual per return	2,440,728
39		<u>20,072,722</u>
40	Allocation to other income	<u>312,076</u>

PEOPLES GAS SYSTEM
RECONCILIATION OF REPORTED NET INCOME WITH
TAXABLE INCOME FOR FEDERAL INCOME TAXES
CYE December 31, 2001

Line No.	Particulars	Amount
5	Taxable income not reported on books: Contributions in aid of construction	1,300,000
		<u>1,300,000</u>
8	Deductions recorded on books not deducted for return - income taxes: Federal income taxes State income taxes (are deducted) Deferred income taxes	20,072,722 <u>(9,123,260)</u>
		<u>10,949,462</u>
9	Deductions recorded on books not deducted for return - other items: Interest during construction period capitalized Amortization - acquisition adjustment Post retirement benefit accrual Capitalized ECA costs Accrued vacation Deferred purchased gas adjustment Environmental disposal costs, net Miscellaneous	1,400,000 225,000 786,807 9,305,209 87,000 18,120,156 140,000 <u>175,000</u>
		<u>30,239,172</u>
14	Income reported on books not included in return: Amortization of investment tax credits	 <u>43,387</u>
		<u>43,387</u>
22	Deductions on return not charged against book income: Depreciation and amortization of utility plant - excess over books Retirement cost overheads and removal costs Unbilled competitive price adjustment Amortization of capitalized ECA costs Insurance reserves Accrued pension costs Miscellaneous	6,519,004 1,000,000 1,520,693 3,500,000 1,027,822 1,275,596 <u>350,000</u>
		<u>15,193,115</u>

Note on Consolidation Policy:

Peoples Gas System operates as a division of Tampa Electric Company (59-0475140). As such, its 2001 taxable income will be included in the consolidated income tax return of TECO Energy, Inc. , parent company of Tampa Electric Company. Income tax is allocated to Peoples Gas based on the computation as if a separate return is filed. There is no intercompany elimination which affects taxable income.

Name of Respondent

Peoples Gas System

For the Year Ended

Dec. 31, 2001

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

	Name of Taxing Authority	Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
1	TAXES (ACCRUED)/PREPAID BEG. OF YEAR	(6,235,350)	(462,769)	0	0	0	(62,947)	640,780	645,000	(2,895)	0	(5,478,180)
2	Taxes Charged During Year											
3		20,072,722	3,670,077	6,246,510			2,533,007	6,167,278	1,593,882	1,674	9,012,687	49,297,836
4												
5												
6												
7												
8												
9												
10												
11												
12	TOTAL TAXES CHARGED DURING YEAR (Lines 3-11)	20,072,722	3,670,077	6,246,510	0	0	2,533,007	6,167,278	1,593,882	1,674	9,012,687	49,297,836
13	Taxes Paid During Year											
14		18,183,590	3,392,322	6,246,510		0	2,557,918	6,478,763	1,696,449	1,636	9,012,687	47,569,876
15												
16												
17												
18												
19												
20												
21												
22												
23	TOTAL TAXES PAID DURING YEAR (Lines 14-22)	18,183,590	3,392,322	6,246,510	0	0	2,557,918	6,478,763	1,696,449	1,636	9,012,687	47,569,876
24	Adjustments (list) - 2000 tax adjustments		15,096									
25	IRS Audit Adjustments	0	(329,000)									
26	Other- reclass to deferred	5,181	(2,345)									
27	TOTAL ADJUSTMENTS (Lines 24-26)	5,181	(316,249)	0	0	0	0	0	0	0	0	(311,067)
28	TAXES (ACCRUED)/PREPAID END OF YEAR	(4,341,037)	(501,263)	(0)	0	0	(87,658)	329,295	542,433	(2,856)	0	(4,061,289)
29	(Lines 1+12-23+/-27)											

DISTRIBUTION OF TAXES CHARGED

	Federal Income	State Income	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Other	Total
1											
2	Electric (Account 408.1, 409.1)					1,631,046	6,170,058	1,468,810	0	9,012,687	47,910,762
3	Gas (Account 408.1, 409.1)	19,765,827	3,615,825	6,246,510							
4	Other Utility Departments (408.1, 409.1)										
5	Other Income and Deductions (408.2, 409.2)	312,076	51,907								363,983
6	Extraordinary Items (Account 409.3)										
7	Other Utility Operating Income (408.1, 409.1)										
8	Adjust. to Retained Earnings (Account 439)										
9	CWIP (Account 107)										
10	Other (list) Affiliated Companies (acct 146,234)										
11	Clearing Accounts (acct 163,184,143-20)										
12	Customer Accounts Receivable (acct 142)										
13	Other revenue/expense (488,495,804,880,6xx)					3,965	(2,781)	75,968	1,674		507,986
14	TOTAL (Should equal Lines 12+/-Line 27, if applicable)	20,077,903	3,667,732	6,246,510		2,533,007	6,167,278	1,593,882	1,674	9,012,687	49,300,672

For the Year Ended

Peoples Gas System
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Dec. 31, 2001

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)	Balance at End Year (h)	Average Period of Allocation to Income (i)
			Acct. No. (c)	Amount (d)	Acct. No. (e)	Amount (f)			
1	Gas Utility								
2	3%	315,420			411	43,387		272,033	
3	4%								
4	7%								
5	10%								
6									
7									
8	TOTAL	315,420		0		43,387	0	272,033	
9	Other List separately and show 3%, 4%, 7%, 10% and TOTAL								

Notes

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Name of respondent For the Year Ended

Peoples Gas System

Dec. 31, 2001

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.

2. Minor items (less than \$50,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Pension and Benefits	\$98,938
2	Audit Fees	-
3	Legal Fees	-
4	Consultants	-
5	Commercial A/C Unit Fund	43,050
6	Cash Exceptions	302,341
7	Unclaimed Funds	166,229
8	Insurance - Workman's Comp	500,000
9	Post Retirement Benefits	4,808,656
10	Conservation Cost True-up	(877,904)
11	NGV Program Cost True-up	(258,905)
12	Restricted Stock Compensation	(27,651)
13	CIS Revenue	(14,543)
14	Other	412
15	Misc Curr & Accr - Salary Saving	(25,292)
16		
17		
18	TOTAL	\$4,715,331

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.

amortization.

2. For any deferred credit being amortized, show the period of

3. Minor Items (less than \$25,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Deferred Compensation	42,175	232	17,150	-	25,025
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21	TOTAL	\$42,175	-	\$17,150	-	\$25,025

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.	Description	Balance at Beginning of Year	Changes During Year			Adjustments		Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 418.2	Amounts Credited to Account 411.2	Debits Account No.	
1								
2	ACCOUNT 281 - ACCELERATED AMORTIZATION PROPERTY							
3	Electric							
4	Gas							
5	Other							
6								
7	TOTAL ACCOUNT 281 (Lines 3 thru 6)							
8								
9	ACCOUNT 282 - OTHER PROPERTY							
10	Electric							
11	Gas	28,023,167	(9,123,260)				(54,016)	18,845,891
12	Other							
13								
14	TOTAL ACCOUNT 282 (Lines 10 thru 13)	28,023,167	(9,123,260)				(54,016)	18,845,891
15								
16	ACCOUNT 283 - OTHER							
17	Electric							
18	Gas							
19	Other							
20								
21	TOTAL ACCOUNT 283 - OTHER (Lines 17 thru 20)							
22								
23	ELECTRIC							
24	Federal Income Tax							
25	State Income Tax							
26								
27	TOTAL ELECTRIC (Lines 24 thru 26)							
28	GAS							
29								
30	Federal Income Tax	23,934,025	(7,540,379)				(46,313)	16,347,333
31	State Income Tax	4,089,142	(1,582,861)				(7,703)	2,499,568
32								
33	TOTAL GAS (Lines 30 thru 32)	28,023,167	(9,123,260)				(54,016)	18,845,891
34								
35	OTHER							
36	Federal Income Tax							
37	State Income Tax							
38								
39	TOTAL OTHER (Lines 36 thru 38)							
40								
41	TOTAL (Total of lines 7, 14, 21 and Lines 27, 33, 39)	28,023,167	(9,123,260)				(54,016)	18,845,891
42								
NOTES		Federal	State	Total				
		(43,884)	(7,297)	(51,181)	Hedging			
		(2,428)	(405)	(2,835)	Other			
		(46,313)	(7,703)	(54,016)	Total			

(A) Deferred income tax adjustment includes:

Name of Respondent		For the Year Ended				
Peoples Gas System		Dec. 31, 2001				
OTHER REGULATORY LIABILITIES (Account 254)						
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).			3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.			
2. For regulatory liabilities being amortized, show period of amortization in column (a).						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	SFAS No. 109 Implementation (1994)	\$260,518				\$260,518
2	West Florida Gas Tax Liability	\$340,988				\$340,988
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41	TOTAL	601,506		0	0	601,506

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
GAS OPERATING REVENUES (Account 400)			
1. Report below natural gas operating revenues for each prescribed account in total.			
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.			
3. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.			
4. Report quantities of natural gas sold in therms (14.73 psia at 60 F).			
5. Report gas service revenues and therms sold by rate schedule.			
Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	FIRM SALES SERVICE		
3	480 Residential - includes Load Enhancement customers (LE)	88,221,591	73,232,105
4	481 Commercial Street Lighting	826,359	671,118
5	481 Small General Service - includes LE	3,802,587	3,283,893
6	481 General Service - includes LE	79,219,385	72,494,813
7	481 General Service Large Volume 1 - includes LE	36,170,394	39,554,981
8	481 General Service Large Volume 2 - includes LE	2,687,309	2,297,731
9	481 Natural Gas Vehicle Sales	435,806	297,940
10	INTERRUPTIBLE SALES SERVICE		
11	481 Small Interruptible Service	482,985	1,450,625
12	481 Interruptible Service	1,234,731	785,182
13	481 Interruptible Service Large Volume	(415,224)	(127,205)
14	481 Off System Sales	38,218,318	38,762,037
15	FIRM TRANSPORTATION SERVICE		
16	489 Commercial Street Lighting	33,488	-
17	489 Natural Gas Vehicles	26,529	18,100
18	489 Small General Service - includes LE	77,160	53,204
19	489 General Service - includes LE	12,763,763	6,678,683
20	489 General Service Large Volume 1 - includes LE	22,435,313	16,391,362
21	489 General Service Large Volume 2 - includes LE	5,026,052	4,017,967
22	INTERRUPTIBLE TRANSPORTATION SERVICE		
23	489 Small Interruptible Transportation Service	4,342,885	4,907,646
24	489 Interruptible Transportation Service	6,159,978	5,524,870
25	489 Interruptible Transportation Service Large Volume	11,983,002	11,073,335
26	482 Other Sales to Public Authorities	-	-
27	484 Flex Rate - Refund	-	-
28	TOTAL Sales to Ultimate Consumers	313,732,409	281,368,387
29	483 Sales for Resale	81,408	70,982
30	489 Off-System Transportation Sales for Resale	-	-
31	TOTAL Nat. Gas Service Revenues	313,813,817	281,439,369
32	TOTAL Gas Service Revenues	313,813,817	281,439,369
33	OTHER OPERATING REVENUES		
34	485 Intracompany Transfers	-	-
35	487 Forfeited Discounts	1,044,199	731,280
36	488 Misc. Service Revenues	3,265,698	3,004,891
37	488 Gross receipts tax and franchise fee collections	15,059,445	13,221,801
38	488 Individual Transportation Charge	453,472	69,850
39	489 Rev. from Trans. of Gas of Others (not included in above rate schedules)	-	-
40		-	-
41	493 Rent from Gas Property	655,734	103,388
42	494 Interdepartmental Rents	-	-
43	495 Other Gas Revenues		
44	Initial Connection		
45	Reconnect for Cause		
46	Collection in lieu of disconnect		
47	Returned Check		
48	Other Gas Revenues	23,566,231	16,100,117
49	495.5 Overrecoveries Purchased Gas	(4,975,003)	(211,865)
50	TOTAL Other Operating Revenues	39,069,776	33,019,462
51	TOTAL Gas Operating Revenues	352,802,184	314,387,849
52	(Less) 495.10 Provision for Rate Refunds	-	-
53	TOTAL Gas Operating Revenues Net of Provision for Refunds	352,802,184	314,387,849
54	Sales for Resale	81,408	70,982
55	Other Sales to Public Authority	-	-
56	Interdepartmental Sales	-	-
57	TOTAL	352,883,592	314,458,831

GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

6. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
 7. See page 9, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year	Number for Previous Year (g)	
				1
				2
58,842,517	57,631,593	239,524	230,049	3
984,069	1,148,541	69	84	4
2,870,799	3,003,006	4,627	4,756	5
80,556,040	97,076,529	15,255	16,795	6
37,456,367	55,903,495	867	1,172	7
2,993,182	3,858,133	10	14	8
587,046	528,522	18	18	9
				10
571,561	2,911,502	2	5	11
1,566,601	1,495,791	2	-	12
111,325	1,163,688	-	-	13
105,542,940	95,776,080	9	7	14
				15
318310	-	20	-	16
269,215	262,675	3	3	17
135,023	86,715	162	129	18
47,468,757	26,105,893	4665	2241	19
98,260,313	74,946,613	1203	797	20
36,918,470	29,051,872	59	48	21
				22
58,352,044	64,952,867	65	73	23
155,982,667	152,953,154	24	24	24
427,774,172	473,477,599	8	6	25
				26
				27
1,117,561,418	1,142,334,268	266,592	256,221	28
98,909	104,173	2	2	29
-	-	-	-	30
				31
				32
				33
				34
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1,117,660,327	1,142,438,441			58

NOTES

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
RESIDENTIAL AND COMMERCIAL SPACE HEATING CUSTOMERS			
A residential space heating customer is a customer whose major fuel for heating is gas.			
Line No.	Item (a)	Residential (b)	Commercial (c)
1	Average Number of Space Heating Customers for the Year (Estimate if not known. Designate with an asterisk if estimated.)	Not Available	Not Available
2	For Space Heating Only, Estimated Average Therms (14.73 psia at 60 degrees F) Per Customer for the Year	Not Available	Not Available
3	Number of Space Heating Customers Added During the Year	Not Available	Not Available
4	Number of Unfilled Application for Space Heating at End of Year	Not Available	Not Available
INTERRUPTIBLE, OFF PEAK, AND FIRM SALES TO DISTRIBUTION SYSTEM INDUSTRIAL CUSTOMERS			
1. Report below the average number of interruptible, off peak, and firm industrial customers on local distribution systems of the respondent, and the Therms of gas sales to these customers for the year.		by law, ordinance, directive, or other requirement of government authority. State in a footnote the basis on which interruptible customers are reported.	
2. Interruptible customers are those to whom service may be interrupted under terms of the customer's gas contract, or to whom service is required to be interrupted, regardless of the contractual arrangements in emergency periods,		3. Off peak sales are seasonal and other sales which do not occur during wintertime demands.	
		4. Report pressure base of gas volumes at 14.73 psia at 60 degrees F.	
Line No.	Item (a)	Number/Amount (b)	
1	Interruptible Customers		
2	Average Number of Customers for the Year	101	
3	Therms of Gas Sales for the Year (including transportation)	644,358,370	
4	Off Peak Customers		
5	Average Number of Customers for the Year	n/a	
6	Therms of Gas Sales for the Year		
7	Firm Customers		
8	Average Number of Customers for the Year	n/a	
9	Therms of Gas Sales for the Year		
10	TOTAL Industrial Customers		
11	Average Number of Customers for the Year	101	
12	Therms of Gas Sales for the Year	644,358,370	

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	B. TOTAL Natural Gas Prod. and Gathering (Enter Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Enter Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Enter Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	128,501,056	135,149,941
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	39,677,264	38,829,504
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	(Less) 805.1 Purchased Gas Cost Adjustments	18,383,081	(16,886,987)
17	TOTAL Purchased Gas (Enter Total of Lines 8 to 16)	186,561,401	157,092,458
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Enter Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(136,737)	(113,227)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(136,737)	(113,227)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supp. Exp. (Total of Lines 17,18,25,26 through 29,34,35)	186,424,664	156,979,231
37	TOTAL Production Expenses (Enter Total of Lines 2,3,4,5 and 36)	186,424,664	156,979,231
38	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Enter Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Enter Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Enter Total of lines 39, 40, and 41)		
43	3. TRANSMISSION EXPENSES		
44	TOTAL Transmission Expenses (Enter Total of Accounts 850 through 867)		
45			
46			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. DISTRIBUTION EXPENSES		
48	Operation		
49	870 Operation Supervision and Engineering	330,223	314,438
50	871 Distribution Load Dispatching	56,780	58,833
51	872 Compressor Station Labor and Expenses	25,182	11,250
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	4,425,455	4,468,846
54	875 Measuring and Regulating Station Expenses--General	143,405	88,519
55	876 Measuring and Regulating Station Expenses--Industrial	89,626	84,354
56	877 Measuring and Regulating Station Expenses--City Gate Check Sta.	87,072	69,911
57	878 Meter and House Regulator Expenses	2,189,631	2,051,716
58	879 Customer Installations Expenses	1,916,039	2,235,083
59	880 Other Expenses	934,642	703,684
60	881 Rents	98,013	30,657
61	TOTAL Operation (Enter Total of lines 49 through 60)	10,296,068	10,117,291
62	Maintenance		
63	885 Maintenance Supervision and Engineering		
64	886 Maintenance of Structures and Improvements	160,492	211,003
65	887 Maintenance of Mains	1,219,034	1,247,496
66	888 Maintenance of Compressor Station Equipment		
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	159,021	161,841
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	212,900	258,698
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Sta.	423,133	359,360
70	892 Maintenance of Services	520,242	548,404
71	893 Maintenance of Meters and House Regulators	588,667	559,027
72	894 Maintenance of Other Equipment	140,545	164,607
73	TOTAL Maintenance (Enter Total of Lines 63 through 72)	3,424,034	3,510,436
74	TOTAL Distribution Expenses (Enter Total of Lines 61 and 73)	13,720,102	13,627,727
75	5. CUSTOMER ACCOUNTS EXPENSES		
76	Operation		
77	901 Supervision	595	-
78	902 Meter Reading Expenses	1,677,980	1,715,104
79	903 Customer Records and Collection Expenses	3,817,913	5,122,152
80	904 Uncollectible Accounts	1,798,149	1,253,034
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Enter Total of Lines 77 through 81)	7,294,637	8,090,290
83	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
84	Operation		
85	907 Supervision	-	-
86	908 Customer Assistance Expenses	9,605,829	10,768,784
87	909 Informational and Instructional Expenses	922,596	975,693
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Enter Total of Lines 85 through 88)	10,528,425	11,744,477
90	7. SALES EXPENSES		
91	Operation		
92	911 Supervision	-	-
93	912 Demonstrating and Selling Expenses	8,424,779	3,022,421
94	913 Advertising Expenses	281,057	840,943
95	916 Miscellaneous Sales Expenses	2,008	(8,490)
96	TOTAL Sales Expenses (Enter Total of lines 92 through 95)	8,707,844	3,854,874
97			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. ADMINISTRATIVE AND GENERAL EXPENSES		
99	Operation		
100	920 Administrative and General Salaries	7,673,723	7,531,903
101	921 Office Supplies and Expenses	15,059,037	17,470,757
102	(Less) (922) Administrative Expenses Transferred--Cr.	(3,929,787)	(4,976,435)
103	923 Outside Services Employed	162,369	551,944
104	924 Property Insurance	316,403	216,626
105	925 Injuries and Damages	(206,613)	1,220,565
106	926 Employee Pensions and Benefits	2,595,359	2,146,316
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses		
109	(Less) (929) Duplicate Charges--Cr.		
110	930.1 General Advertising Expenses		
111	930.2 Miscellaneous General Expenses	344,578	402,394
112	931 Rents	422,779	443,998
113	TOTAL Operation (Enter Total of lines 100 through 112)	22,437,848	25,008,068
114	Maintenance		
115	932 Maintenance of General Plant	242,360	262,775
116	TOTAL Administrative and General Exp. (Total of lines 113 and 115)	22,680,208	25,270,843
117	TOTAL Gas O. and M. Exp. (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	249,355,880	219,567,442
118			
119			
120			
121			
122			
123			
124			
125			
126			
127			
128			
129			
130	NUMBER OF GAS DEPARTMENT EMPLOYEES		
131			
132	1. The data on number of employees should be reported for payroll period ending nearest to October 31,		
133	or any payroll period ending 60 days before or after October 31.		
134	2. If the respondent's payroll for the reporting period includes any special construction personnel,		
135	include such employees on line 3, and show the number of such special construction employees in a footnote.		
136	3. The number of employees assignable to the gas department from joint functions of combination utilities		
137	may be determined by estimate, on the basis of employee equivalents. Show the estimated number of		
138	equivalent employees attributed to the gas department from joint functions.		
139			
140	1. Payroll Period Ended (Date)	12-31-01	
141	2. Total Regular Full-Time Employees	741	
142	3. Total Part-Time and Temporary Employees	5	
143	4. Total Employees	746	
144			
145			
146			
147			

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)

1. Provide totals for the following accounts:

- 800 Natural Gas Well Head Purchases
- 800.1 Natural Gas Well Head Purchases, Intracompany Transfers
- 801 Natural Gas Field Line Purchases
- 802 Natural Gas Gasoline Plant Outlet Purchases
- 803 Natural Gas Transmission Line Purchases
- 804 Natural Gas City Gate Purchases
- 804.1 Liquefied Natural Gas Purchases
- 805 Other Gas Purchases
- 805.1 Purchase Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.

2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.

3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).

4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased-Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	801 - Natural Gas Field Line Purchases	308,458,882	\$128,501,056	41.96
3	804.1 - Gas Accounting, and Gas Control Expenses		\$507,131	
4	804.2 - Natural Gas City Gate Purchases - Commodity	3,405,683	\$803,690	23.60
5	804.3 - Natural Gas City Gate Purchases-Commodity	234,285	\$270,419	115.42
6	804.3 - Natural Gas City Gate Purchases - Other		\$480,261	
7	804.4 - Legal Costs		\$26,078	
8	804.5 - Natural Gas City Gate Purchases - Demand/Reservation		\$37,589,685	
9	805.1 - Purchased Gas Cost Adjustments		\$18,383,081	
10	TOTAL (Enter Total of lines 1 through 9)	312,098,850	\$186,561,401	59.78

NOTES TO GAS PURCHASES

Name of Respondent				For the Year Ended			
Peoples Gas System				Dec. 31, 2001			
GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)							
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.				4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).			
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.				5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.			
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.							
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas		Manufactured Gas	
				Amount of Credit (d)	Amount per Therm (In cents) (e)	Therms of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel -- Cr.						
2	811 Gas used for Products Extraction -- Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respondent's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs-- Cr. (Report separately for each principal uses. Group minor uses)						
6	Operations Expense	880-01	155,377	106,379	68.46		
7	Transportation Clearing Acct (CNG)	184-01	36,537	26,514	72.57		
8	Utilities Clearing Acct	184-90	17,290	12,854	74.34		
9	Sales Tax Acct	241-50	n/a	(9,010)	n/a		
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL		209,204	136,737	65.36		

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2001
OTHER GAS SUPPLY EXPENSES (Account 813)		
Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.		
Line No.	Description (a)	Amount (in dollars) (b)
1	None	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14	TOTAL	
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$251,254
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	- -
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent	-
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)	
5	Employee Moving Expenses	29,698
6	Other Dues	54,820
7	Miscellaneous	8,805
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	TOTAL	\$344,577

Name of Respondent		For the Year Ended					
Peoples Gas System		Dec. 31, 2001					
DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403,404.1,404.2,404.3,405) (Except Amortization of Acquisition Adjustments)							
1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.							
A. Summary of Depreciation, Depletion, and Amortization Charges							
Line No.	Functional Classification	Depreciation Expense (Account 403)	Amortization & Depletion of Prod. Nat. Gas Land & Land Rights (Account 404.1)	Amortization of Under-ground Storage Land & Land Rights (Account (404.2)	Amortization of Other Limited-term Gas Plant (Account 404.3)	Amortization of Other Gas Plant (Account 405)	Total (b to f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Intangible Plant	189,789			48,261		238,050
2	Production plant, manufactured gas						
3	Production and gathering plant, nat. gas						
4	Products extraction plant						
5	Underground gas storage plant						
6	Other storage plant						
7	Base load LNG term. & proces. plant						
8	Transmission Plant						
9	Distribution Plant	23,088,419			36,208		23,124,627
10	General Plant	3,783,788					3,783,788
11	Common Plant-Gas						
12							
13							
14							
15							
16							
17							
18							
19							
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33							
34							
35							
36							
37	TOTAL	27,061,996			84,469		27,146,465

**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND
INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest.

Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 426-01 Donations	2550
2	Account 426-03/05 Other	220,960
3		223,510
4		
5		
6		
7	Account 431 Other Interest Charges:	
8	Customer Deposits	1,664,049
9	Syndicated Line of Credit	22,725
10	ECCR	47,237
11	Commercial Paper	2,412,391
12	Miscellaneous	(1,544)
13		4,144,858
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
6	Transmission			
7	Distribution	6,645,457		
8	Customer Accounts	2,554,967		
9	Customer Service and Informational	368,083		
10	Sales	214,157		
11	Administrative and General	5,448,186		
12	TOTAL Operation (Enter Total of lines 5 through 11)	15,230,849		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
15	Transmission			
16	Distribution	1,683,571		
17	Administrative and General	2,599,874		
18	TOTAL Maintenance (Enter Total of lines 14 through 17)	4,283,445		
19	Total Operation and Maintenance	19,514,294		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
21	Transmission (Enter Total of lines 6 and 15)			
22	Distribution (Enter Total of lines 7 and 16)	8,329,028		
23	Customer Accounts (Transcribe from line 8)	2,554,967		
24	Customer Service and Informational (Transcribe from line 9)	368,083		
25	Sales (Transcribe from line 10)	214,157		
26	Administrative and General (Enter Total of lines 11 and 17)	8,048,060		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	19,514,294	16,365	19,530,659
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	19,514,294	16,365	19,530,659
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	5,367,607	7,241	5,374,848
35	Other			
36	TOTAL Construction (Enter Total of lines 33 through 35)	5,367,607	7,241	5,374,848
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	737,544	1,144	738,689
40	Other			
41	TOTAL Plant Removal (Enter Total of lines 38 through 40)	737,544	1,144	738,689
42				
43	Other Accounts (Specify):			
44	Accounts Receivable - Associated Companies	4,665,357	-	4,665,357
45	Stores Expense	208,719	-	208,719
46	Other Work-In-Progress	10,212	-	10,212
47	Merchandise/Jobbing	42,695	44	42,739
48	Miscellaneous - Lobbying	7,037	-	7,037
49				
50				
51				
52				
53	TOTAL Other Accounts	4,934,021	44	4,934,065
54	TOTAL SALARIES AND WAGES	30,553,467	24,794	30,578,260

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2001

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

Name of Respondent

For the Year Ended

Peoples Gas System

Dec. 31, 2001

REGULATORY COMMISSION EXPENSES (Account 928) (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

for Account 186.

5. List in column (f), (g) and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 34

6. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR		Deferred in Account 186 End of Year (l)	Line No.
CHARGED CURRENTLY TO			Deferred to Account 186 (i)	Contra Account (j)		
Department (f)	Account No. (g)	Amount (h)				
None						1
						2
						3
						4
						5
						6
						7
						8
						9
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						37
						38
						39
						40

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2001
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain</p>		<p>Civic, Political and Related Activities. (a) Name and address of person or organization rendering services, (b) description of services received during year and project or case to which services relate, (c) basis of charges, (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>
1	Description (a)	Amount (b)
2		
3		
4	Akerman, Senterfitt & Edison, P.A.	925/186 - legal fees 178,005.05
5	Clear Channel Networks, Inc.	909 - advertising 171,500.00
6	Del Webb	908 - advertising 61,100.00
7	Environmental Consulting & Technology	186 - environmental consulting 50,053.06
8	GEI Consultants, Inc.	186 - environmental consulting 305,962.52
9	Holland & Knight, LLP	various - legal fees 116,618.93
10	Information Intellect, Inc.	various - consulting 29,991.07
11	Larry Foster Consulting, Inc.	908 - consultant 62,165.34
12	Loomis, Fargo & Company	921 - armored car service 98,593.14
13	MacFarlane Ferguson & McMullen	186/908/923 - legal 207,821.20
14	PriceWaterHouseCoopers	923 - auditing 56,400.00
15	Randstad	903/921 - temporary 105,797.25
16	Seven Trent-Avatar Utility Services	902 - meter reading 223,927.87
17	Sunshine State, One-call	874 - locating service 282,344.84
18	Tampa Electric Company *	various 10,389,259.99
19	TECO Energy *	various 2,800,303.17
20	TECO Partners *	various 7,786,943.16
21	Ten United	908 - advertising 258,257.13
22	Wrap-Tech, Inc.	874 - cleaning services 191,184.16
23		
24		
25	The following were charged to capital accounts	
26		
27	Duval Engineering Services	design and drafting 98,042.65
28	Peninsula Design & Engineering, Inc.	engineering services 169,609.69
29	Robert R. Mumbauer	consulting 96,311.51
30	Systems Alpha Inc.	consulting 54,842.09
31	Tampa Electric *	various 2,700,808.03
32	TECO BGA *	various 502,750.28
33	TECO Partners *	various 525,007.00
34		
35		
36		
37		
38		
39		
40		

**Reconciliation of Gross Operating Revenues
Annual Report versus Regulatory Assessment Fee Return**

Company: Peoples Gas System

For the Year Ended December 31, 2001

For the current year, reconcile the gross operating revenues as reported on Page 46 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

(a) Line No.	(b) Description	(c) Gross Operating Revenues per Page 46	(d) Interstate and Sales for Resale Adjustments	(e) Adjusted Interstate Gross Operating Revenues	(f) Intrastate Gross Operating Revenues per RAF Return	(g) Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482,484)	\$313,732,409	-	\$313,732,409	\$313,732,409	-
2	Sales for Resale (483)	\$81,408	-	\$81,408	\$81,408	-
3	Total Natural Gas Service Revenues	\$313,813,817	-	\$313,813,817	\$313,813,817	-
4	Total Other Operating Revenues (485-495)	\$39,069,775	-	\$39,069,775	\$39,069,775	-
5	Total Gas Operating Revenues	\$352,883,592	-	\$352,883,592	\$352,883,592	-
6	Provision for Rate Refunds (495.10)					
7	Other (Specify) Sales for Resale				(\$81,408)	\$81,408
8	Revenue from Electric Generation Customer				(\$41,611,695)	\$41,611,695
9	Unbilled Revenue Adjustment				\$5,358,422	(\$5,358,422)
10	True-up of Energy Conservation				(\$542,886)	\$542,886
11	Unbundling Transition Recovery				\$1,212,503	(\$1,212,503)
12	Total Gross Operating Revenues	\$352,883,592	-	\$352,883,592	\$317,218,528	\$35,665,064

Notes:

Differences due to RAF Return adjustments for exempt revenue.

CORPORATE STRUCTURE

Company: Peoples Gas System
For the Year Ended December 31,2001

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date 12/31/01

- TECO Energy, Inc.
 - Tampa Electric Company
 - TERMCO, Inc.
 - Power Engineering & Construction, Inc.
 - TECO Investments, Inc.
 - TECO Inventory Company
 - TECO Finance, Inc.
 - TECO Oil & Gas, Inc.
 - TECO Diversified, Inc.
 - TECO Coal Corporation
 - Bear Branch Coal company
 - Raven Rock Development
 - Clintwood Elkhorn Mining Company
 - Gatliff Coal Company
 - Pike-Letcher Land Company
 - Premier Elkhorn Coal Company
 - Rich Mountain Coal Company
 - Perry County Coal Corporation
 - Ray Coal Company , Inc.
 - Whitaker Coal Corporation
 - TECO Coalbed Methane, Inc.
 - TECO Solutions, Inc.
 - TECO BGA, Inc.
 - BGA Special Project, One, Inc.
 - TECO AGC, Limited
 - TECO AGC, Inc.
 - TECO BGA Thermal Systems, Inc.
 - TECO Gas Services, Inc.
 - TECO Properties Corporation
 - CPSC, Inc.
 - 30th Street R&D Park, Inc.
 - UTC II, Inc.
 - Southshore Residential, Inc.
 - South Shore Properties Partners, Ltd.
 - Brandon Properties Partners, Ltd.
 - K-T No. 1, LLC
 - TECO Partners, Inc.
 - Litestream Technologies, LLC
 - BCH Mechanical, Inc.
 - SDB Leasing Corporation
 - Staffing Systems, Inc.
 - TECO Propane Ventrues, LLC
 - U.S. Propane, LLC
 - U.S. Propane, LP
 - Heritage Propane Partners, LP
 - Heritage Operating Partners, LP
 - Heritage Holdings, Inc.
 - Prior Energy Corporation
 - Prior Intrastate Corporation
 - TECO Transport Corporation
 - Teco Bulk Terminal
 - Teco Ocean Shipping
 - Teco Barge Line
 - TECO Towing Company

CORPORATE STRUCTURE

Company: Peoples Gas System
For the Year Ended December 31,2001

TECO Commerce, Inc.
MaterialsXpress, LLC
Peoples Gas System (Florida), Inc.
Peoples Sales & Service Company
Suwannee Gas Marketing, Inc.
Florida Natural Fuels, Ltd.
Seminole Gas Marketing
TECO Stevedoring Services, Inc.
TECO Power Services Corporation
Hardee Power I, Inc.
Hardee Power II, Inc.
Hardee Power Partners, Ltd.
TPS Hamakua, Inc.
TPS Hawaii, Inc.
Hamakua Energy Partners, LP
Hanakua A, LLC
TPS Hamakua Land, Inc.
Ensearch/Jones Hamakua Land Partnership, LP
TPS Holdings, Inc.
TPS Guatemala One, Inc.
Tampa Centro Americana de Electricidad, Limitada
TPS Operations Holding Company
TPS Virginia Operations Company
TPS Arizona Operations Company
TPS Arkansas Operations Company
TPS Operations Company
TPSMcAdams Operations Company
TPS DellOperations Company
TECO EnergySource, Inc.
TPS International Power, Inc.
TPS San Jose International, Inc.
TPS San Jose, LDC
TPS Palmera, LDC
Palm Import and Export Corporation
Triangle Finance Company, LLC
San Jose Power Holding Company, Ltd.
Central Generadora Electrica San Jose, S.R.L.
Tasajero I, LDC
TPS Operaciones de Guatemala, Ltda.
TPS Administraciones, Ltda.
TPS de Ultramar, Ltd.
TPS De Ultramar Guatemala, S.A.
Generacion Electra Centroamericana Dos, S.A.
Administradora de Inmuebles Santo Tomas, S.A.
Distribucion Electrica CentroAmericana II, S.A.
Empressa Electrica de Guatemala, S.A.
Navega.com, S.A.
Caricegsa, S.A.
Commercializadora Electrica de Guatemala S.A.
Energica, S.a.
Transportista Electrica Centroamericana, S.A.
TPS Escuintla I, LDC
Generadora Electrica CentroAmerica, Ltd.
TPS Pavana, Ltd

CORPORATE STRUCTURE

Company: Peoples Gas System
For the Year Ended December 31,2001

TM Global Power, LLC
 Bear Energy Corporation
 CPC Limited Partnership
 Cambodia Power Company
Mosbacher Power International, LLC
Mosbacher Power Brasil, Ltda.
Ram Power India I, Ltd.
TM Turkish Holdings, LLC
 Nuh Yapi Urunleri ve Mabina Sanayi a.s.

Pasco Power GP, Inc.
 Pasco Project Investment Partnership, Ltd.
 Pasco Cogen, Ltd.

TPS Materials, Inc.
TM Power Ventures, LLC
 Mosbacher Power Group LLC
 TM Czech Power LLC
 TM Kladno Electricidad, s.r.l.
 TM Kladno, B.V.
 Nations Kladno, B.V.
 Matra Powerplant Holdings, B.V.
 ECK Generating, s.r.o.

TM ECK, LLC
 Nations Kladno (II) B.V.
 Energeticke Centrum Kladno spol. s.r.o.

TM Delmarva Power LLC
 Commonwealth Chesapeake Company, LLC

TMPV Caledonia LLC

TECO Power Ventures, Inc.
 TPS TriCo, LLC
 TPS Dell, LLC
 TPS Dell Finance, LLC
 TPS McAdmas, LLC
 TPS Tejas GP, LLC
 TPS Tejas LP, LLC
 Fredburg Generation Limited Partnership

TPS GP, Inc.
TPS LP, Inc.
 TECO-Panda Generating Company, LP
 Union Power I, LLC
 Union Power II, LLC
 Union Power Partners, LP
 Panda Gia River, I, LLC
 Panda Gila River II, LLC
 Panda Gila River, LP
 Trans-Union Interstate I, LLC
 Trans-Union Interstate II, LLC
 Trans-Union Pipeline, LP

TPS Celanese I, Inc.
TPS GP II, Inc.
TPS LP II, Inc.
 TECO-PANDA Generating Company II, LP

TECO Funding Company I, LLC
TECO Funding Company II, LLC
TECO Funding Company III, LLC

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

COMPANY: Peoples Gas System
For the Year Ended December 31, 2001



Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliated Company (a)	Synopsis of Contract (b)
Teco Partners	<p>An agreement entered into between Peoples Gas (Peoples) and TECO Partners (Partners) whereby Peoples retained Partners to market and sell services for and on behalf of Peoples to present and potential customers of Peoples, including but not limited to:</p> <ul style="list-style-type: none"> - Gas Services - Energy Conservation Program Services - Developer Services - Service and Program Development - Promotional Services <p>Payment to Partners under the agreement is targeted at \$8,750,000 annually and is determined in three parts: a fixed amount paid in equal monthly installments; a customer incentive amount based on number of new customers added; and, a term incentive amount based on growth in term sales by customer class.</p> <p>The agreement was entered into effective January 1, 2001 for a period of one year.</p>

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Company: Peoples Gas System

For the Year Ended December 31, 2001

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
TECO Gas Services	Monthly Payroll	494,218
	Gas Purchases	589,000
Prior Energy	Gas Purchases	4,761,000
TECO Partners	Monthly Payroll	4,906,079
	Monthly Plant Transactions & Adjustments	485,928
	Monthly Rent	483,360
	Monthly G&A Allocation	420,000
	Monthly Marketing Services - Costs - O&M	7,786,943
	Monthly Marketing Services - Costs - Capital	525,007
Tampa Electric	Monthly Various Products & Services - Purchased - O&M	10,389,260
	Monthly Various Products & Services - Purchased - Capital	2,700,808
	Off System Sales - Polk Power	924,000
	Sales to Tampa Electric	7,662,000
TECO Power Services	Monthly Imbalance Cash-outs to Hardee Power	933,000
	Monthly Capacity Utilization Charges - Hardee Power	3,343,000
TECO BGA	Engineering Services	502,750
	Administrative Services	86,685
TECO Energy	Monthly Various Goods & Services - O&M	2,800,303

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Company: Peoples Gas System

For the Year Ended December 31, 2001

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is a purchased by the Respondent: "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO Gas Services, Inc.	Payroll		s	Various	494,218
	Plant Transactions & Adjust.		s		3,610
	G & A Allocation		s		53,004
	Gas Purchases		p		589,000
	Imbalance Cash-outs to TGS		s		1,000
Heritage Propane	Operating Expenses		s		66,211
	Rent		s		118,437
	Company Aircraft Allocation		s		2,880
Prior Energy	Gas Purchases		p		4,761,000
TECO Partners	Payroll		s		4,906,079
	Plant Transactions & Adjust.		s		485,928
	Rent		s		483,360
	G & A Allocation		s		420,000
	Marketing Services O&M		p		7,786,943
	Marketing Services Capital		p		525,007
Tampa Electric	Rent		s		48,540
	Company Aircraft Allocation		s		21,522
	Various Goods/Services O&M		p		10,389,260
	Various Goods/Services Cap.		p		2,700,808
	Off System Sales-Polk Power		s		924,000
	Sales to Tampa Electric		s		7,662,000
TECO Power Services	Company Aircraft Allocation		s		76,680
	Off System Sales-TPS		s		195,000
	Off System Sales-Hardee Power		s		240,000
	Imbalance Cash-outs to Hardee Power		s		933,000
	Capacity Utilization Chg-Hardee Power		s		3,343,000
	Gas Purchases from Hardee Power		p		125,000
TECO Transport	Company Aircraft Allocation		s		4,608

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Company: Peoples Gas System
For the Year Ended December 31, 2001

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is a purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO BGA	Payroll		s		79,200
	Rent		s		37,725
	Company Aircraft Allocation		s		(690)
	Engineering Services		p		502,750
	Administrative Services		s		86,685
BCH Mechanical	Payroll		s		42,000
	Company Aircraft Allocation		s		2,160
TECO Properties	Payroll		s		14,000
TECO Energy	Payroll		s		87,700
	Company Aircraft Allocation		s		121,110
	Various Goods/Services O&M		p		2,800,303

EMPLOYEE TRANSFERS

Company: Peoples Gas System

For the Year Ended December 31, 2001

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
<p>Peoples Gas System</p> <p>In connection with the marketing services agreement between Peoples Gas System and Teco Partners, 70 employees have been transferred from Peoples Gas System to Teco Partners.</p> <p>These employees responsibilities include, but are not limited to:</p> <ul style="list-style-type: none"> - Gas Services - Energy Conservation Program Services - Developer Services - Service and Program Development - Promotional Services - Energy Conservation Program Services - Developer Services - Service and Program Development - Promotional Services 	<p>Teco Partners</p>	<p>various - marketing related</p>	<p>various - marketing related</p>	<p>permanent</p>
<p>Peoples Gas System</p>	<p>Teco Gas Services</p>	<p>Vice President-Operations</p>	<p>President</p>	<p>Permanent</p>

