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## TECO Energy Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Marc De Croisset - Macquarie Capital.

#### Marc De Croisset - Macquarie Capital

Does the outcome of the Tampa rate case give you greater comfort that the company can support the current dividend of \$0.80? I know I'm pressing my luck, but I thought I'd ask?

#### Gordon Gillette

Our answer is, yes. As we said, based on the earnings guidance we would expect at the midpoint that the payout ratio would be 74%, which is getting back closer to the utility industry average.

#### Marc De Croisset - Macquarie Capital

If I were to look at the Tampa and Peoples Gas earnings, would they cover the dividend for '09 and '10; is that a fair statement?

#### Gordon Gillette

At this point in time, we're not giving specifics on our earnings guidance on a company-by-company basis, but I think it's fair to say even looking at the past before the rate increases, Tampa Electric and Peoples were a very important part of our overall earnings that we're reporting.

#### Marc De Croisset - Macquarie Capital

Let me ask it another way; do you expect to earn at the lower end of the ROE band at Tampa?

#### Gordon Gillette

As we look at 2009 at this point, I think it's important to remember that we're effectively going to have about a half year or a little more than a half year of the rates for this year. So obviously, we'll benefit in the second half compared to the first half of the year and the first quarter results at Tampa Electric and Peoples.

As we said, as we look to the 2010 guidance, a very important factor driving earnings beyond 2009, where our guidance is \$1 to \$1.15 will be a full year of base rates for both utilities and I think obviously that will point towards higher earnings from the utilities in 2010, than 2009.

**John Ramil**

Mark, this is John Ramil. I would just add to what Gordon said, that next year we'll see the full year effect of the rate increase and the challenge we have to our team is, last time we were 16 years without going in for a rate case. So, our challenge would be to earn well above the minimum of the range, so that we keep the trend like that going again, as much as we can.

**Marc De Croisset - Macquarie Capital**

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