

#### ***Item 4 – Shareholder Proposal***

The Office of the Comptroller of New York City, 1 Centre Street, New York, NY 10007-2341, as the trustee and/or custodian of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Department Pension Fund, and the New York City Board of Education Retirement System, has advised us that together these funds beneficially own 602,806 shares of the Company's common stock and that it intends to submit the following proposal at the annual meeting:

**Whereas:** TECO Energy, Inc. does not explicitly prohibit discrimination based on sexual orientation and gender identity in its written employment policy;

Over 88% of the Fortune 500 companies have adopted written nondiscrimination policies prohibiting harassment and discrimination on the basis of sexual orientation, as have more than 98% of Fortune 100 companies, according to the Human Rights Campaign; over 30% now prohibit discrimination based on gender identity;

We believe that corporations that prohibit discrimination on the basis of sexual orientation and gender identity have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to a June, 2008 survey by Harris Interactive and Witeck-Combs, 65% of gay and lesbian workers in the United States reported facing some form of job discrimination related to sexual orientation; an earlier survey found that almost one out of every 10 gay or lesbian adults also reported that they had been fired or dismissed unfairly from a previous job, or pressured to quit a job because of their sexual orientation;

Twenty states, the District of Columbia and more than 160 cities and counties, have laws prohibiting employment discrimination based on sexual orientation; 12 states and the District of Columbia have laws prohibiting employment discrimination based on sexual orientation and gender identity; Minneapolis, San Francisco, Seattle and Los Angeles have adopted legislation restricting business with companies that do not guarantee equal treatment for gay and lesbian employees;

Our company has operations in, and makes sales to institutions in states and cities that prohibit discrimination on the basis of sexual orientation;

National public opinion polls consistently find more than three quarters of the American people support equal rights in the workplace for gay men, lesbians and bisexuals; for example, in a Gallup poll conducted in May 2007, 89% of respondents favored equal opportunity in employment for gays and lesbians;

**Resolved:** The Shareholders request that TECO Energy, Inc. amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity and to substantially implement the policy.

**Shareholder's Supporting Statement:** Employment discrimination on the basis of sexual orientation and gender identity diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. TECO Energy, Inc. will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

**The Board of Directors unanimously OPPOSES the adoption of the above resolution for the following reasons:**

TECO Energy is committed to providing equal employment opportunity for all individuals, and has a written employment policy that prohibits discrimination on the basis of race, color, religion, sex, national origin, age, disability, veteran status, sexual orientation, or any other characteristic protected by law. This policy covers the administration of all personnel actions, including recruitment, hiring, training, and promotions. In February 2010, in keeping with our commitment to a discrimination-free workplace, we amended our equal employment opportunity policy to explicitly prohibit discrimination on the basis of sexual orientation. Therefore, although the proponent's statement, which was written before we amended our policy, refers to statistics which appear to present our company's policies as being inconsistent with our peer companies, our non-discrimination policy is actually similar to that of the vast majority of other Fortune 1000 companies.

We believe our employment policies and practices already ensure equal employment opportunities and a respectful atmosphere for all employees. Employment decisions at TECO Energy are based on skills, knowledge, qualifications, and abilities. Our managers, supervisors, and other employees are required to abide by this policy. Furthermore, the company's business is guided by its five core values that it has chosen to form the umbrella under which we do business everyday and under which team members interact with one another, our customers and other stakeholders. One of those five core values is respect for others, which provides that we value, among other things, differences, development, teamwork, and open communications. The company believes that emphasizing our core values, including the very important value of respect for others, in our everyday dealings, more than adequately addresses the issues raised in the proposal by promoting a workplace based on the fundamental principle of respect.

In addition, we regularly provide training for employees regarding the importance of respecting and valuing diversity, and prohibiting harassment. As part of this regular training, our employees recently completed a training program regarding every employee's responsibility to help maintain a workplace where differences are respected and valued, and that is free from harassment and discrimination.

Based on these factors, the Board believes that revising our policy as set forth in the proposal is not necessary to ensure a non-discriminatory workplace.

**The Board of Directors unanimously recommends a vote AGAINST this proposal.**