

**FOR IMMEDIATE RELEASE**

**FOR MORE INFORMATION, CONTACT:**

New Mexico Gas Company:  
Media contact: Teala Kail  
(505) 363-9983  
Teala.Kail@nmgco.com

May 28, 2013



## **TECO ENERGY WILL ACQUIRE NEW MEXICO GAS COMPANY**

**New Mexico Gas Company's 509,000 regulated gas distribution customers, will be added to TECO Energy's geographic footprint**

**(Albuquerque, NM) – PRESS RELEASE**

New Mexico Gas Company today announces that TECO Energy, Inc. (NYSE:TE) has entered into a definitive stock purchase agreement with Continental Energy Systems LLC, and its subsidiary New Mexico Gas Intermediate, Inc. (NMGI), to acquire New Mexico Gas Company for an aggregate value of \$950 million, including the assumption of \$200 million of New Mexico Gas Company debt, subject to customary closing adjustments. The transaction is expected to close in the first quarter of 2014, and is subject to state and federal regulatory approvals.

New Mexico Gas Company serves approximately 509,000 residential, commercial and industrial customers throughout New Mexico. Upon closing of the transaction, New Mexico customers will be part of TECO Energy subsidiaries' 1.5 million regulated electric and gas utility customers in Florida and New Mexico.

"TECO Energy shares our focus on safe and reliable service. We look forward to working with TECO Energy on a seamless transition for our customers and employees," said New Mexico Gas Company President Annette Gardiner.

TECO Energy's President and Chief Executive Officer John Ramil said, "This acquisition is a significant step in achieving growth for TECO Energy. We are adding 50% to our customer base in a single transaction, and we expect it to provide opportunities for future growth in an attractive Sunbelt location. It will increase the percentage of earnings from regulated operations and reduces earnings volatility."

Ramil also said, "We are experienced in acquiring and integrating regulated gas distribution operations. We acquired Peoples Gas in 1997, and grew that business, in part, by acquiring and integrating other small gas LDC and related businesses such as West Florida Gas and Griffis Gas. Most of the people involved in those activities, at all levels, are part of the team today."

Ramil went on to say, “I see New Mexico Gas Company as a well-run business with, as yet, untapped growth potential. We look forward to sharing best practices to support growth and bringing to New Mexico Gas Company our significant marketing expertise and our commitment to economic development.”

### **Approvals and Timing**

The transaction is expected to close in the first quarter of 2014, subject to PRC approval and customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Act, and applicable regulatory approvals from the New Mexico Public Regulation Commission. No shareholder approval is required to complete the transaction.

### **Webcast**

TECO Energy will host a webcast with the investment community to discuss the acquisition at 9:00 am Eastern time, Tuesday, May 28, 2013.

The webcast will be accessible through the link on TECO Energy’s website: [www.tecoenergy.com](http://www.tecoenergy.com). The webcast and accompanying slides will be available for replay for 30 days through the website, beginning approximately two hours after the conclusion of the live event.

### **About TECO Energy**

TECO Energy, Inc. (NYSE: TE) is an energy-related holding company. Its principal subsidiary, Tampa Electric Company, is a regulated utility in Florida with both electric and gas divisions (Tampa Electric and Peoples Gas System). Its other major subsidiary, TECO Coal, owns and operates coal production facilities in Kentucky and Virginia.

### **About New Mexico Gas Company**

New Mexico Gas Company, with approximately 740 employees, serves approximately 509,000 customers, predominately residential, in New Mexico with the majority located in the Central Rio Grande Corridor region, which is one of the fastest growing regions in the state. The company serves approximately 60 percent of the state’s population with customers in 23 of New Mexico’s 33 counties. Customers are served through a combination of approximately 1,600 miles of transmission pipeline and 10,000 miles of distribution lines.