December 17, 2010

Via e-mail to: rule-comments@sec.gov

U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090
Attention: Elizabeth M. Murphy, Secretary

Re: File No. S7-33-10
Release No. 34-63237
Proposed Rules for Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934

Dear Ms. Murphy:

TECO Energy, Inc. is an S&P 500 energy company headquartered in Tampa, Florida which, through its subsidiaries, has over 4,000 employees. The company values its people, their work and their aspirations, as evidenced by the average years of service among our employees being more than 15 years. For over 100 years, the foundation of our business philosophy has been a strong sense of integrity. We pride ourselves in the integrity of our team members and our reputation for ethical business conduct in the communities which we serve. In addition, we foster and emphasize a culture of compliance throughout the organization. Our compliance program includes mandatory training of all employees as well as an anonymous hotline and online reporting system for complaints or violations. We also proactively encourage the ethical behavior of employees through our Values Program, which rewards behavior that supports our five core values, which includes the value of integrity.

Because TECO Energy believes that its strong compliance program is critical to its success as an enterprise, we are writing to comment on the proposed rules issued on November 17, 2010 (the "proposed rules") by the U.S. Securities and Exchange Commission (the "SEC") with respect to the whistleblower provisions of new Section 21F of the Securities Exchange Act of 1934. We understand that the SEC is required under the Dodd-Frank Wall Street Reform and Consumer Protection Act to adopt rules implementing the whistleblower and anti-retaliation provisions, and, as a company that prides itself on a culture of compliance, we support the broader goals of such provisions to uncover and ultimately prevent violations of the securities laws. As discussed below, however, we are concerned that the proposed rules will undermine currently effective compliance programs. Moreover, we believe the rules should be modified to support internal compliance programs, including prevention efforts, which would be of greater long-term benefit to investors, employees and the public.

We recognize that the SEC acknowledged the issue that the proposed rules may reduce the effectiveness of a company's existing compliance, legal, audit and similar processes for investigating and responding to potential violations of the federal securities laws. However, the SEC has resolved this tension by merely trying to not discourage whistleblowers from first reporting potential issues to company personnel. We believe that not discouraging the use of internal reporting mechanisms does not do enough to protect the effectiveness of internal compliance programs and the related value of such programs.

Employees will know only one thing - that going directly to the SEC offers the potential for a large payment that going to their company does not. Therefore, we are concerned that the proposed rules provide incentives to employees to bypass internal compliance reporting procedures in order to maximize the potential for receiving a reward. Accordingly, employees would provide less feedback to companies via employee hotlines and employees would lose incentive to prevent problems before they occur which will reduce the effectiveness of compliance programs generally. The Department of Justice and other government branches have been working to build up compliance programs over the last 20 years. In doing so, the government has recognized the benefits of having effective internal compliance programs to encourage prevention efforts and to efficiently identify and remediate potential violations before they occur, and encourage self-reporting by companies in the event a violation does occur.

We also believe the proposed rules will likely increase the number of low-quality tips submitted to the SEC. The SEC has recognized the importance of maximizing the submission of high-quality tips. However, the proposed rules provide the potential of a large reward but no down-side to the whistleblower or their attorney, even if there is little or no basis for the tip. In addition, the proposed rules would allow employees who are either involved in the potential violation, either actively or by knowingly allowing it to occur, to be eligible for a reward. Coupled with the anti-retaliation provisions, the proposed rules could allow employees to inappropriately use the whistleblower designation in order to assure themselves of continued employment in the face of an unrelated disciplinary action.

In addition, the proposed rules will likely cause increased costs to companies and the government, without corresponding benefits to investors, employees or the public. For example, by encouraging the bypassing of internal reporting systems, the government will be spending taxpayer money to investigate numerous complaints that could be handled by companies. Companies will be spending additional amounts on attorneys' fees to handle what may often amount to unfounded claims. Experts have predicted increased liability insurance costs associated with increased risk of fraud investigations. We are concerned that efficient operations of companies will be negatively impacted by the loss of trust between employers and employees, and the efforts of companies such as ours that have strived to foster trust within the organization will be undermined. While we support the costs associated with implementing and maintaining an effective internal compliance program, we believe the potential increased costs cited above will be

detrimental to companies, employees, investors and the public without providing the corresponding benefits of an effective compliance program.

We believe the best way to avoid these issues is to require internal reporting as a condition of award eligibility. In addition, companies should be allowed to enforce policies that require employees to report potential violations through the internal reporting mechanisms as soon as they are known. We recognize there may be appropriate exceptions to these requirements, which we believe the SEC could accomplish by requiring that, in order for those conditions to apply, a company must have an effective reporting system as determined by the SEC, based on objective, pre-defined criteria. We believe that such modifications to the proposed rules would avoid potential abuse of the whistleblower program. In addition, by requiring that internal reporting systems meet certain requirements defined by the SEC in order for internal reporting to be a condition of award eligibility for whistleblowers, companies would likely strengthen internal compliance and reporting systems in order to meet such requirements.

We also recommend that the rules provide that the definition of "whistleblower" only apply to someone who reports potential violations of another person or entity, that it require a certain level of first-hand knowledge and a reasonable basis in fact, and that the basis for the complaint be required to be stated at the time it is made to the SEC. Persons who have engaged in potential violations should also be excluded from the anti-retaliation protections of the rules. These modifications would maximize the submission of high-quality tips and help avoid the potential abuse of the whistleblower and anti-retaliation rules.

Finally, we believe that the rules should not encourage employees and plaintiffs' lawyers to submit potentially frivolous or low-quality information. As noted above, the proposed rules do not provide any downside of doing so, maximizing the potential of misuse of the system. We believe that the rules should provide for the potential use of civil fines that the SEC can enforce itself, and should also allow companies to terminate an employee who files a frivolous complaint, blocks an internal investigation or lets a problem fester by not reporting promptly pursuant to a company's internal compliance program, if that is required as a condition of employment at the company. Also, one way to discourage plaintiffs' attorney from submitting frivolous complaints would be to require that they certify that they have conducted a reasonable investigation as permitted by the circumstances to determine there are grounds for a good faith belief that there has been a potential violation of the securities law.[1]

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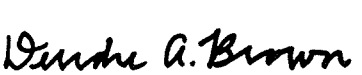
[1] We note that the State of Florida has a similar requirement for attorneys filing medical malpractice claims. In such cases, the attorney filing the action must certify that he or she has made a reasonable investigation as permitted by the circumstances to determine that there are grounds for a good faith belief that there has been negligence in the care or treatment of the claimant. Violations of this good faith standard can result in attorney's fees and taxable costs against claimant's counsel, and disciplinary review of the attorney. We believe a similar requirement would help avoid frivolous complaints in the whistleblower context.

We agree with the statements made by the Association of Corporate Counsel (the "ACC") in its letter to the SEC on the proposed rules, dated December 15, 2010, that companies have a shared value that all employees are responsible for ensuring the company operates within the bounds of the law and ethics. As noted by the ACC, the SEC's proposed rules incentivize employees to look for ways not to improve or correct corporate behaviors, but to profit from corporate wrongdoing; in this way, fraudulent misconduct, the bane of good compliance systems, becomes a gold mine, rather than the impetus for internal corporate change. We further agree with the ACC's view that the SEC's approach invites employees to time their report to maximize the bounty they could receive, potentially allowing misconduct to fester, and that the whistleblower protection enacted by Congress can be used to separate the good corporate actors from the bad by strengthening and rewarding effective compliance programs and exposing and sanctioning those that punish employees who uncover and report bad deeds. We believe that such a regulatory regime would be of the greatest benefit to investors, employees and the public.

Thank you for your consideration of our comments.

Sincerely,

Charles A. Attal III,
Senior Vice President – General Counsel
and Chief Legal Officer



Deirdre A. Brown,
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