

Edgar Filing: NISOURCE INC/DE - Form U-13-60

NISOURCE INC/DE
Form U-13-60
April 30, 2004

Form U-13-60
Mutual and Subsidiary Service Companies
Revised February 7, 1980

ANNUAL REPORT

For the Period

Beginning January 1, 2003 and Ending December 31, 2003

To The

U.S. SECURITIES AND EXCHANGE COMMISSION

OF

NISOURCE CORPORATE SERVICES COMPANY, INC.

(Exact Name of Report Company)

A Subsidiary Service Company
("Mutual" or "Subsidiary")

Date of Incorporation December 31, 1932

State or Sovereign Power Under which Incorporated or Organized - Delaware

Location of Principal Executive Offices of Reporting Company:

801 East 86th Avenue, Merrillville, IN

VINCENT DEVITO, CONTROLLER
200 Civic Center Drive
Columbus, OH 43215

(Name, title and address of officer to whom correspondence concerning
this report should be addressed)

NISOURCE, INC/COLUMBIA ENERGY GROUP

(Name of Principal Holding Company whose Subsidiaries are served by
Reporting Company)

INSTRUCTIONS FOR USE OF FORM U-13-60

1. Time of Filing - Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the instructions for that form.

Edgar Filing: NISOURCE INC/DE - Form U-13-60

2. Number of Copies - Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report become necessary.
3. Period Covered by Report - The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.
4. Report Format - Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted on the same size as a sheet of the form or folded to such size.
5. Money Amounts Displayed - All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (Section 210.3-01[b]).
6. Deficits Displayed - Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X, Section 210.3-01[C]).
7. Major Amendments or Corrections - Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.
8. Definitions - Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Public Utility Holding Company Act of 1935, as amended February 2, 1979, shall be applicable to words or terms used specifically within this Form U-13-60.
9. Organization Chart - The service company shall submit with each annual report a copy of its current organization chart.
10. Methods of Allocation - The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.
11. Annual Statement of Compensation for Use of Capital Billed - The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use of capital billed during the calendar year.

Page 2

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

| Description of Schedules and Accounts | Schedule or Account Number |
|---------------------------------------|----------------------------------|
| ----- | |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | |
|---|----------------|
| COMPARATIVE BALANCE SHEET | Schedule I |
| Service Company Property | Schedule II |
| Accumulated Provision For Depreciation and Amortization of Service Company Property | Schedule III |
| Investments | Schedule IV |
| Accounts Receivable From Associate Companies | Schedule V |
| Fuel Stock Expenses Undistributed | Schedule VI |
| Stores Expense Undistributed | Schedule VII |
| Miscellaneous Current and Accrued Assets | Schedule VIII |
| Miscellaneous Deferred Debits | Schedule IX |
| Research, Development or Demonstration Expenditures | Schedule X |
| Proprietary Capital | Schedule XI |
| Long-Term Debt | Schedule XII |
| Current and Accrued Liabilities | Schedule XIII |
| Notes to Financial Statements | Schedule XIV |
| COMPARATIVE INCOME STATEMENT | Schedule XV |
| Analysis of Billing - Associate Companies | Account 457 |
| Analysis of Billing - Nonassociate Companies | Account 458 |
| Analysis of Charges for Service - Associate and Nonassociate Companies | Schedule XVI |
| Schedule of Expense by Department or Service Function | Schedule XVII |
| Departmental Analysis of Salaries | Account 920 |
| Outside Services Employed | Account 923 |
| Employee Pensions and Benefits | Account 926 |
| General Advertising Expenses | Account 930.1 |
| Miscellaneous General Expenses | Account 930.2 |
| Rents | Account 931 |
| Taxes Other Than Income Taxes | Account 408 |
| Donations | Account 426.1 |
| Other Deductions | Account 426.5 |
| Notes to Statement of Income | Schedule XVIII |

Page 3

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

| Description of Reports or Statements | Page Number |
|--|-------------|
| Organization Chart | 46 |
| Methods of Allocation | 47 |
| Annual Statement of Compensation for Use of Capital Billed | 48-49 |
| Officer Authorization | 50 |

Page 4

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
2003

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the

Edgar Filing: NISOURCE INC/DE - Form U-13-60

current and prior year

| ACCOUNT ----- | ASSETS AND OTHER DEBITS ----- | AS OF DECE ----- |
|------------------|---|---------------------------|
| | | CURRENT ----- \$000 |
| | SERVICE COMPANY PROPERTY | |
| 101 | Service company property (Schedule II) | 71,844 |
| 107 | Construction work in progress (Schedule II) | -- |
| | Total Property | 71,844 ----- |
| 108 | Less accumulated provision for depreciation and amortization of service company property (Schedule III) | 31,312 ----- |
| | Net Service Company Property | 40,532 ----- |
| | INVESTMENTS | |
| 123 | Investments in associate companies (Schedule IV) | -- |
| 124 | Other investments (Schedule IV) | -- |
| | Total Investments | -- ----- |
| | CURRENT AND ACCRUED ASSETS | |
| 131 | Cash | 1,460 |
| 134 | Special deposits | 171 |
| 135 | Working funds | 755 |
| 136 | Temporary cash investments (Schedule IV) | -- |
| 141 | Notes receivable | -- |
| 143 | Accounts receivable | 5,372 |
| 144 | Accumulated provision for uncollectible accounts | -- |
| 146 | Accounts receivable from associate companies (Schedule V) | 43,024 |
| 152 | Fuel stock expenses undistributed (Schedule VI) | -- |
| 154 | Materials and supplies | -- |
| 163 | Stores expense undistributed (Schedule VII) | -- |
| 165 | Prepayments | 1,178 |
| 174 | Miscellaneous current and accrued assets (Schedule VIII) | 1,387 -- ----- |
| | Total Current and Accrued Assets | 53,347 ----- |
| | DEFERRED DEBITS | |
| 181 | Unamortized debt expense | -- |
| 184 | Clearing accounts | 1,172 |
| 186 | Miscellaneous deferred debits (Schedule IX) | 45,126 |
| 188 | Research, development, or demonstration expenditures (Schedule X) | -- |
| 190 | Accumulated deferred income taxes | 30,458 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

Total Deferred Debits 76,756

TOTAL ASSETS AND OTHER DEBITS 170,635

Page 5

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
2003

SCHEDULE I - COMPARATIVE BALANCE SHEET

| ACCOUNT | LIABILITIES AND PROPRIETARY CAPITAL | |
|---------|---|-------|
| ----- | ----- | ----- |
| | PROPRIETARY CAPITAL | |
| 201 | Common stock issued (Schedule XI) | |
| 211 | Miscellaneous paid-in-capital (Schedule XI) | |
| 215 | Appropriated retained earnings (Schedule XI) | |
| 216 | Unappropriated retained earnings (Schedule XI) | |
| 219 | Other Comprehensive Income | (10) |
| | Total Proprietary Capital | (9) |
| | LONG-TERM DEBT | |
| 223 | Advances from associate companies (Schedule XII) | 23 |
| 224 | Other long-term debt (Schedule XII) | |
| 225 | Unamortized premium on long-term debt | |
| 226 | Unamortized discount on long-term debt | |
| | Total Long-Term Debt | 23 |
| | CURRENT AND ACCRUED LIABILITIES | |
| 231 | Notes payable | |
| 232 | Accounts payable | 8 |
| 233 | Notes payable to associate companies (Schedule XIII) | |
| 234 | Accounts payable to associate companies (Schedule XIII) | 47 |
| 236 | Taxes accrued | (|
| 237 | Interest accrued | |
| 238 | Dividends declared | |
| 241 | Tax collections payable | |
| 242 | Miscellaneous current and accrued liabilities (Schedule XIII) | 60 |
| | Total Current and Accrued Liabilities | 117 |
| | DEFERRED CREDITS | |
| 253 | Other deferred credits | 34 |
| 255 | Accumulated deferred investment tax credits | |
| | Total Deferred Credits | 34 |
| 282 | ACCUMULATED DEFERRED INCOME TAXES | 4 |
| | TOTAL LIABILITIES AND PROPRIETARY CAPITAL | 170 |

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE II - SERVICE COMPANY PROPERTY

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR \$000 | ADDITIONS \$000 | RETIREMENTS OR SALES \$000 |
|--|--|--------------------|----------------------------------|
| SERVICE COMPANY PROPERTY | | | |
| Account: | | | |
| 301 ORGANIZATION | -- | -- | -- |
| 303 MISCELLANEOUS | | | |
| INTANGIBLE PLANT | -- | -- | -- |
| 304 LAND AND LAND RIGHTS | 62 | -- | -- |
| 305 STRUCTURES AND IMPROVEMENTS | 23,692 | 546 | 317 |
| 306 LEASEHOLD IMPROVEMENTS | -- | | -- |
| 307 EQUIPMENT (1) | 32,556 | 3,813 | 4,875 |
| 308 OFFICE FURNITURE AND EQUIPMENT (1) | 7,334 | 3 | 4,672 |
| 309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT | 427 | -- | 24 |
| 310 AIRCRAFT AND AIRPORT EQUIPMENT | 13,207 | -- | -- |
| 311 OTHER SERVICE COMPANY PROPERTY (3) | 143 | -- | -- |
| SUB-TOTAL | 77,421 | 4,362 | 9,888 |
| 107 CONSTRUCTION WORK IN PROGRESS (4) | -- | -- | -- |
| TOTAL | 77,421 | 4,362 | 9,888 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

307 - A fixed asset inventory was completed and those assets determined to be obsolete or disposed of were retired.

308 - A fixed asset inventory was completed and those assets determined to be obsolete or disposed of were retired.

Page 7

SCHEDULE II - CONTINUED

(2) SUBACCOUNTS ARE REQUIRED FOR EACH CLASS OF EQUIPMENT OWNED. THE SERVICE COMPANY SHALL PROVIDE A LISTING BY SUBACCOUNT OF EQUIPMENT ADDITIONS DURING THE YEAR AND THE BALANCE AT THE CLOSE OF THE YEAR:

| SUBACCOUNT DESCRIPTION | | ADDITIONS |
|------------------------|--|-----------|
| ----- | | ----- |
| | | \$000 |
| 307-1 | Telecommunications Equipment | -- |
| 307-2 | Communications Management Center | -- |
| 307-3 | Data Processing Equipment | -- |
| 307-4 | Print Services Equipment | -- |
| 307-5 | Research & Laboratory Equipment | -- |
| 307-6 | Telecommunications Equipment | 139 |
| 307-7 | EDP Equipment - 4 years | 3,649 |
| 307-8 | EDP Equipment - 10 years | -- |
| 307-9 | Personal Computer and Peripheral Equipment | 25 |
| 307-10 | Distribution Research Equipment | -- |
| 307-11 | Electrical Supply Generators | -- |
| 307-14 | CGT EQUIPMENT | -- |
| 307-37 | CPA EQUIPMENT | -- |
| 307-51 | TCO Equipment | -- |
| 307-90 | NiSource Equipment | -- |
| | | ----- |

TOTAL

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

Costs incurred in the internal development of the Employee Accounting System Interface, Labor Distribution System, and Intercompany Billing software.

(4) DESCRIBE CONSTRUCTION WORK IN PROGRESS:

Not Applicable

Page 8

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF SERVICE COMPANY PROPERTY

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR | ADDITIONS CHARGED TO ACCOUNT 403 | RETIREMENTS |
|--|---------------------------------------|--|-------------|
| | \$000 | \$000 | \$000 |
| ACCOUNT | | | |
| 301 ORGANIZATION | -- | -- | -- |
| 303 MISCELLANEOUS INTANGIBLE PLANT | -- | -- | -- |
| 304 LAND AND LAND RIGHTS | -- | -- | -- |
| 305 STRUCTURES AND IMPROVEMENTS | 7,597 | 484 | 81 |
| 306 LEASEHOLD IMPROVEMENTS | -- | | -- |
| 307 EQUIPMENT (1) | 21,960 | 5,811 | 8,528 |
| 308 OFFICE FURNITURE AND FIXTURES (1) | 3,335 | 207 | 1,194 |
| 309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT | 155 | 56 | 85 |
| 310 AIRCRAFT AND AIRPORT EQUIPMENT | 902 | 506 | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | |
|-----|-----------------------------------|-----------------|----------------|----------------|
| 311 | OTHER SERVICE COMPANY PROPERTY | 142 ----- | -- ----- | -- ----- |
| | TOTAL | 34,091 ===== | 7,064 ===== | 9,888 ===== |

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

Please refer to page 7

Page 9

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE IV - INVESTMENTS

INSTRUCTIONS: Complete the following schedule concerning investments.

Under Account 124, "Other Investments," state each investment separately, with description, including, the name of issuing company, number of shares or principal amount, etc.

Under Account 136, "Temporary Cash Investments," list each investment separately.

| DESCRIPTION ----- | BALANCE AT BEGINNING OF YEAR ----- | BAL C OF --- |
|--|---|-----------------------|
| Account 123 - Investment in Associate Companies | NONE | |
| Account 124 - Other Investments | NONE | |
| Account 136 - Temporary Cash Investments System Money Pool - Unaffiliated | NONE ----- | --- |
| TOTAL | NONE ===== | == |

Page 10

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate

Edgar Filing: NISOURCE INC/DE - Form U-13-60

companies, a separate listing of total payments for each
associate company

DESCRIPTION

ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

Bay State Massachusetts
Columbia Atlantic Trading Corporation
Columbia Energy Group
Columbia Energy Resources, Inc.
Columbia Energy Services Corporation
Columbia Finance Company
Columbia Gas of Kentucky, Inc.
Columbia Gas of Maryland, Inc.
Columbia Gas of Ohio, Inc.
Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Virginia, Inc.
Columbia Gas Transmission Corporation
Columbia Gulf Transmission Company
Columbia Network Services Corporation
Columbia Pipeline Corporation
Columbia Remainder Corporation
Columbia Service Partners
Columbia Transmission Communications Corporation
Energy USA, Inc
Granite State Gas
Indianapolis Water Resources
Kokomo Gas and Fuel Company
NiSource Capital Markets
NiSource Crossroads Pipeline
NiSource Development Company, Inc
NiSource Energy Services, Inc
NiSource Energy Technology
NiSource Finance Company
NiSource Insurance Corporation, Ltd.
NiSource Pipeline Group, Inc
NiSource, Inc.
Northern Indiana Fuel and Light Company
Northern Indiana Public Service Company
Northern Utilities Maine
Northern Utilities New Hampshire
Primary Energy, Inc

TOTAL

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

Edgar Filing: NISOURCE INC/DE - Form U-13-60

See Schedule V-A, page 12

TOTAL PAYMENT

Page 11

SCHEDULE V-A

NISOURCE CORPORATE SERVICES COMPANY, INC.

Convenience & Accommodation Payments
For the Year Ended December 31, 2003

| Associate Company | AUDIT FEES | CORPORATE INSURANCE | EMPLOYEE BENEFITS | LEASING | POSTAGE AND MAILING SERVICES |
|---|---------------|------------------------|----------------------|---------|------------------------------------|
| ----- | ----- | ----- | ----- | ----- | ----- |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Bay State Massachusetts | 222 | 3,065 | 10,653 | 119 | 4 |
| Columbia Accounts Receivable | | | | | |
| Columbia Atlantic Trading Corporation | | (3) | | | |
| Columbia Capital Corporation | | | | | |
| Columbia Deep Water Services | | (2) | | | |
| Columbia Energy Group | | (3,380) | 1,247 | 11 | |
| Columbia Energy Resources, Inc. | 359 | 2,718 | 4,825 | 2,145 | |
| Columbia Energy Services Corporation | | 15 | 46 | | |
| Columbia Gas of Kentucky, Inc. | | 910 | 2,741 | 705 | 138 |
| Columbia Gas of Maryland, Inc. | | 243 | 1,041 | 150 | 35 |
| Columbia Gas of Ohio, Inc. | 602 | 7,463 | 29,586 | 1,997 | 1,381 |
| Columbia Gas of Pennsylvania, Inc. | 266 | 4,355 | 11,859 | 1,161 | 412 |
| Columbia Gas of Virginia, Inc. | | 1,340 | 4,612 | 876 | 212 |
| Columbia Gas Transmission Corporation | 887 | 7,595 | 31,923 | 4,666 | 5 |
| Columbia Gulf Transmission Company | 148 | 3,847 | 5,770 | 496 | 12 |
| Columbia Insurance Company | | 1 | | | |
| Columbia Network Services | | 6 | 34 | | |
| Columbia Remainder Corporation | | 23 | 15 | | |
| Columbia Service Partners | | 25 | 28 | | 2 |
| Columbia Transmission Communications Corporation | | 31 | 40 | | |
| Energy USA Inc. | 182 | 341 | 955 | | |
| Energy USA TPC | 39 | 16 | 53 | | |
| Granite State Gas | | 111 | 85 | 1 | |
| Indianapolis Water Resources | | (1) | | | |
| Kokomo Gas and Fuel Company | 144 | 166 | 800 | | |
| NiSource Capital Markets | | 1 | | | |
| NiSource Crossroads Pipeline | 66 | 27 | | | |
| NiSource Development Company, Inc | | 170 | | | |
| NiSource Energy Services, Inc. | | 53 | | | |
| NiSource Energy Technology | | 14 | 230 | | |
| NiSource Finance Company | 103 | 10 | | | |
| NiSource, Inc. | 888 | 548 | | | 2 |
| Northern Indiana Fuel and Light Company | 128 | 185 | 1,361 | | |
| Northern Indiana Public Service Company | 800 | 19,211 | 33,031 | 682 | |
| Northern Utilities Maine | | 254 | 1,029 | 22 | |
| Northern Utilities New Hampshire | | 257 | 757 | 3 | |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | | |
|----------------------|-------|--------|---------|--------|-------|
| Primary Energy, Inc. | | 1,888 | 318 | | |
| | ----- | ----- | ----- | ----- | ----- |
| Grand Total | 4,835 | 51,503 | 143,040 | 13,034 | 2,204 |
| | ===== | ===== | ===== | ===== | ===== |

Page 12

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE VI - FUEL STOCK EXPENSES UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. Under the section headed "Summary" listed below give an overall report of the fuel functions performed by the service company.

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| DESCRIPTION ----- | LABOR ----- |
|---|----------------|
| | \$000 |
| Account 152 - Fuel Stock Expenses Undistributed | NONE |
| TOTAL | ----- NONE |

SUMMARY:

Not Applicable

Page 13

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES

For the Year Ended December 31, 2003

SCHEDULE VII - STORES EXPENSE UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

| DESCRIPTION ----- | LABOR ----- | EXPEN ----- |
|---|----------------|----------------|
| | \$000 | \$00 |
| Account 163 - Stores Expenses Undistributed | NONE | NON |
| TOTAL | ----- NONE | ----- NON |

Page 14

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE VIII

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each

Edgar Filing: NISOURCE INC/DE - Form U-13-60

group.

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR |
|---|------------------------------------|
| | \$000 |
| Account 174 - Miscellaneous Current and Accrued Assets | 1,317 |
| Non-Compete Deferred Debit (Amortized over 15 Years Phantom Stock) | |
| TOTAL | 1,317 |

Page 15

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE IX - MISCELLANEOUS DEFERRED DEBITS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR | BALANCE AT CLOSE OF YEAR |
|---|------------------------------------|--------------------------------|
| | \$000 | \$000 |
| ACCOUNT 186 - MISCELLANEOUS DEFERRED DEBITS | | |
| Other Post Retirement Employee Benefits | 10,699 | 13,054 |
| Deferred Insurance Receivables | 1,953 | 1,456 |
| Intangible Asset - Pension Restoration Plan | 21,232 | 16,824 |
| Miscellaneous Deferred Property | 7,375 | 13,792 |
| TOTAL | 41,259 | 45,126 |

Page 16

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

Edgar Filing: NISOURCE INC/DE - Form U-13-60

For the Year Ended December 31, 2003

SCHEDULE X

RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES

INSTRUCTIONS: Provide description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

| DESCRIPTION | AMOUNT |
|-------------|--------|
| | \$000 |
| | NONE |
| TOTAL | NONE |

Page 17

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE XI - PROPRIETARY CAPITAL

| ACCOUNT NUMBER | CLASS OF STOCK | NUMBER OF SHARES AUTHORIZED | PAR OR STATED VALUE PER SHARE | NO |
|----------------|----------------|--------------------------------|----------------------------------|----|
| 201 | COMMON STOCK | 4,000 | \$100 | |

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which give rise to the reported amount.

| DESCRIPTION | AMOUNT |
|--|--------|
| ACCOUNT 211 - MISCELLANEOUS PAID-IN CAPITAL | \$0 |
| ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS | \$0 |
| TOTAL | \$0 |

INSTRUCTIONS: Give particulars concerning net income or (loss) during the

Edgar Filing: NISOURCE INC/DE - Form U-13-60

year, distinguishing between compensation for the use of capital owed or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR | NET INCOME OR (LOSS) |
|--|------------------------------------|-------------------------|
| | \$000 | \$000 |
| ACCOUNT 216 - UNAPPROPRIATED RETAINED EARNINGS | | |

| Rate/Share | Amount of Dividend | Date Declared | Date Paid |
|------------|--------------------|---------------|-----------|
| \$ | \$000 | | |
| TOTAL | | | |

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

Schedule XII - Long-Term Debt

INSTRUCTIONS: Advances From Associate Companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 - Other Long-Term Debt provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

| NAME OF CREDITOR | TERMS OF OBLIG CLASS & SERIES OF OBLIGATION | DATE OF MATURITY | INTEREST RATE | AMOUNT AUTHORIZED | BALANCE AT BEGINNING OF YEAR |
|--|---|------------------------|------------------|----------------------|------------------------------------|
| | | | % | \$000 | \$000 |
| ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES: | | | | | |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | | |
|-----------------------|-----------------|----------|------|--------|--------|
| Columbia Energy Group | Promissory Note | 11/28/05 | 7.30 | 2,246 | 2,246 |
| Columbia Energy Group | Promissory Note | 11/28/07 | 7.55 | 2,246 | 2,246 |
| Columbia Energy Group | Promissory Note | 11/28/10 | 7.82 | 2,246 | 2,246 |
| Columbia Energy Group | Promissory Note | 03/01/14 | 7.33 | 12,700 | 12,700 |
| Columbia Energy Group | Promissory Note | 11/28/15 | 7.92 | 2,246 | 2,246 |
| Columbia Energy Group | Promissory Note | 11/28/25 | 8.12 | 2,246 | 2,246 |
| ACCOUNT 224 - OTHER | | | | | |
| LONG-TERM DEBT: | | | | - | - |
| TOTAL | | | | 23,930 | 23,930 |

Page 19

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

| DESCRIPTION | BALANCE BEGINNING OF |
|---|----------------------------|
| ----- | ----- |
| | \$0 |
| ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES | |
| Nisource, Inc. | |
| TOTAL | |
| ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES | |
| Bay State Massachusetts | |
| Columbia Energy Group | |
| Columbia Gas of Kentucky, Inc. | |
| Columbia Gas of Maryland, Inc. | |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

Columbia Gas of Ohio, Inc.
 Columbia Gas of Pennsylvania, Inc.
 Columbia Gas of Virginia, Inc.
 Columbia Gas Transmission Corporation
 Columbia Gulf Transmission Company
 Energy USA, Inc
 NiSource Development Company, Inc
 NiSource Energy Technology
 NiSource, Inc.
 Northern Indiana Public Service Company
 Northern Utilities Maine
 Primary Energy, Inc
 System Money Pool Interest
 System Money Pool Principal

TOTAL

 3
 4

ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED
 LIABILITIES

Accrued Vacation
 Change in Control
 Comprehensive Medical Expense Plan Accrual
 Contingent Stock
 Contingent Stock Dividend
 Deferred Compensation
 Dental Assistance Plan Accrual
 Employee Thrift Plan
 Flexible Spending
 Group Life Insurance
 Incentive/Bonus Accrual
 Job Placement
 LTIP Dividend Credit
 Pension Restoration Plan
 Pension Retirement Benefits
 Phantom Stock Liability
 Post Employment Benefit Obligation
 Relocation
 Retirement Income Plan
 Severance
 Thrift Plan - Company
 Thrift Restoration Plan
 Unclaimed Funds
 United Way
 Voluntary Personal Accident Insurance
 Miscellaneous

TOTAL

 1
 5

Edgar Filing: NISOURCE INC/DE - Form U-13-60

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

Notes Payable to Associate Companies

Account 233

| | | Balance at Beginning of Year | Balance at Close of Year |
|-----------------------|-----------------------------|------------------------------------|--------------------------------|
| | | ----- \$000 | ----- \$000 |
| Columbia Energy Group | | | |
| 6.89% | Installment Promissory Note | NONE | NONE |
| 7.11% | Installment Promissory Note | NONE | NONE |
| 7.30% | Installment Promissory Note | NONE | NONE |
| 7.55% | Installment Promissory Note | NONE | NONE |
| 7.82% | Installment Promissory Note | NONE | NONE |
| 7.33% | Installment Promissory Note | NONE | NONE |
| 7.92% | Installment Promissory Note | NONE | NONE |
| 8.12% | Installment Promissory Note | NONE | NONE |
| | | ----- | ----- |
| Total | | NONE | NONE |
| | | ===== | ===== |

Page 21

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment and Related Depreciation

Edgar Filing: NISOURCE INC/DE - Form U-13-60

Property, Plant and Equipment is stated at historical cost. Depreciation is provided on a composite straight-line basis using the average of depreciable property at the beginning and end of each year.

b. Income Taxes

The Corporation provides deferred taxes with respect to timing differences in the recognition of revenues and expenses for tax and accounting purposes. The major difference results from using accelerated depreciation for tax purposes. The Corporation is included in the Consolidated Federal Income Tax Return filed for NiSource, Inc.

c. Pension Costs

The Corporation participates in the NiSource, Inc. Pension Plan and the Retirement Income Plan of the Columbia Energy Group. These are trustee noncontributory pension plans which, with certain exceptions, cover all regular employees. NiSource Corporate Services Company, Inc.'s portion was \$7,992,000 in 2003 and \$2,915,000 in 2002.

d. Leases

Payments made by the Corporation in connection with operating leases are charged to expense incurred. No capitalized leases existed in 2003.

e. Account Numbers

The Corporation uses certain FERC accounts which do not match existing SEC accounts; therefore, the year-end balances of the following FERC accounts were reclassified to a corresponding SEC account.

| Account Description ----- | Account Number | | Year-End Balance ----- \$000 |
|------------------------------|----------------|-----|---------------------------------------|
| | FERC | SEC | |
| Interest Receivable | 171 | 143 | -- |
| Deferred Income Taxes | 283 | 282 | 89 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

f. Post-Retirement Benefits Other Than Pensions

During 1991, the System adopted SFAS No. 106, Employer's Accounting for Post-Retirement Benefits Other Than Pensions, retroactive to January 1, 1991. The Corporation has elected to record and defer the full amount of its estimated accumulated post-retirement obligations other than pensions. These obligations \$33,830,038 as of December 31, 2003, and represent the actuarial present value of the post-retirement benefits to be paid to current employees and retirees based on services rendered.

g. System Money Pool

The Parent Company and its subsidiaries participate in the System Money Pool (Pool) which is administered by the Corporation on behalf of the participants.

Participants invest their excess funds to the Pool. Short-term financing requirements of participants, with the exception of the Parent Company, are satisfied by advances from the Pool. Excess funds in the Pool are invested by the Corporation on a short-term basis on behalf of the depositors.

Participants depositing funds in the Pool share in the interest earned on these investments plus interest paid to the Pool by borrowers on a basis proportionate to its investment in the Pool. Participants borrowing from the Pool pay interest at the rate equivalent to the composite rate on short-term transactions of the Pool. Participants may withdraw their investments in the Pool at any time. Borrowings from the Pool are payable on demand, and may be prepaid at any time without premium or penalty.

Page 23

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year ended December 31, 2003

SCHEDULE XV
COMPARATIVE INCOME STATEMENT

| ACCOUNT | DESCRIPTION | 2003 | 2002 |
|---------|--|--------------|------------|
| | | CURRENT YEAR | PRIOR YEAR |
| | | \$000 | \$000 |
| INCOME | | | |
| 457 | Services rendered to associate companies | 277,807 | 304,443 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | |
|-----|---|---------|---------|
| 458 | Services rendered to nonassociate companies | -- | -- |
| 417 | Interest Revenue | -- | 1 |
| 419 | Interest Revenue - Other | 14 | 187 |
| 421 | Miscellaneous Income or Loss | (24) | -- |
| | | ----- | ----- |
| | Total Income | 277,797 | 304,631 |

EXPENSE

| | | | |
|-------|--|---------|----------|
| 920 | Salaries and wages | 118,019 | 139,915 |
| 921 | Office supplies and expenses | 13,180 | 11,997 |
| 922 | Administrative expense transferred - credit | -- | -- |
| 923 | Outside services employed | 52,443 | 72,981 |
| 924 | Property insurance | 2 | 49 |
| 925 | Injuries and damages | 1,472 | 1,249 |
| 926 | Employee pensions and benefits | 30,189 | 24,846 |
| 928 | Regulatory commission expense | 568 | -- |
| 930.1 | General advertising expenses | 531 | 542 |
| 930.2 | Miscellaneous general expenses | 3,948 | 2,909 |
| 931 | Rents | 21,162 | 19,700 |
| 932 | Maintenance of structures and equipment | 15,621 | 8,510 |
| 403 | Depreciation and amortization expense | 7,064 | 8,032 |
| 408 | Taxes other than income taxes | 9,111 | 9,844 |
| 409 | Income taxes | 7,083 | 11,571 |
| 410 | Provision for deferred income taxes | 1,543 | 59,405 |
| 411 | Provision for deferred income taxes - credit | (7,741) | (72,240) |
| 426.1 | Donations | 370 | 255 |
| 426.5 | Other deductions | 49 | 2 |
| 430 | Interest on debt to associate companies | 2,737 | 4,078 |
| 431 | Other interest expense | 446 | 986 |
| | | ----- | ----- |
| | Total Expense | 277,797 | 304,631 |
| | | ----- | ----- |
| | Net Income or (Loss) | -- | -- |
| | | ===== | ===== |

Page 24

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year ended December 31, 2003

ANALYSIS OF BILLING

ASSOCIATE COMPANIES
ACCOUNT 457

| NAME OF ASSOCIATE COMPANY | DIRECT COSTS CHARGED | INDIRECT COSTS CHARGED | COMPENSATION FOR USE OF CAPITAL | TOTAL AMOUNT BILLED |
|---------------------------|----------------------|------------------------|---------------------------------|---------------------|
| | 457-1 | 457-2 | 457-3 | |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | \$000 | \$000 | \$000 | \$000 |
|---|---------|--------|-------|---------|
| Bay State Massachusetts | 14,963 | 6,862 | 166 | 21,991 |
| Columbia Atlantic Trading Corporation | 14 | 3 | -- | 17 |
| Columbia Energy Group | 9,928 | 2,704 | 67 | 12,699 |
| Columbia Energy Group Capital Corporation | 8 | 1 | - | 9 |
| Columbia Energy Services Corporation | 531 | 68 | 2 | 601 |
| Columbia Finance Corporation | 23 | 7 | -- | 30 |
| Columbia Gas of Kentucky, Inc. | 4,723 | 2,518 | 59 | 7,300 |
| Columbia Gas of Maryland, Inc. | 1,754 | 873 | 21 | 2,648 |
| Columbia Gas of Ohio, Inc. | 32,688 | 15,180 | 364 | 48,232 |
| Columbia Gas of Pennsylvania, Inc. | 13,764 | 6,418 | 154 | 20,336 |
| Columbia Gas of Virginia, Inc. | 8,355 | 3,931 | 96 | 12,382 |
| Columbia Gas Transmission Corporation | 26,240 | 12,119 | 292 | 38,651 |
| Columbia Gulf Transmission Company | 5,599 | 2,959 | 71 | 8,629 |
| Columbia Network Services Corporation | 32 | 15 | -- | 47 |
| Columbia Pipeline Company | 20 | 8 | -- | 28 |
| Columbia Remainder Corporation | 705 | 83 | 2 | 790 |
| Energy USA, Inc | 3,016 | 1,761 | 35 | 4,812 |
| Granite State Gas | 315 | 143 | 3 | 461 |
| Indianapolis Water Resources | (113) | 2 | -- | (111) |
| Kokomo Gas and Fuel Company | 270 | 149 | 4 | 423 |
| NiSource Capital Markets | 40 | 7 | -- | 47 |
| NiSource Development Company, Inc | 2,675 | 183 | 6 | 2,864 |
| NiSource Energy Services, Inc | 3,343 | 118 | 3 | 3,464 |
| NiSource Energy Technology | 213 | 134 | 4 | 351 |
| NiSource Finance Company | 424 | 21 | 1 | 446 |
| NiSource Insurance Corporation, Ltd. | 25 | 9 | -- | 34 |
| NiSource, Inc. | 26,341 | 1,325 | 28 | 27,694 |
| NiSource Crossroads Pipeline | 177 | 106 | 2 | 285 |
| Northern Indiana Fuel and Light Company | 340 | 104 | 5 | 449 |
| Northern Indiana Public Service Company | 34,263 | 15,476 | 364 | 50,103 |
| Northern Utilities Maine | 1,471 | 650 | 16 | 2,137 |
| Northern Utilities New Hampshire | 1,526 | 679 | 17 | 2,222 |
| Primary Energy, Inc | 3,134 | 806 | 19 | 3,959 |
| | ----- | ----- | ----- | ----- |
| Total Amount Billed in 2003 | 196,807 | 75,422 | 1,801 | 274,030 |
| Reconciliation to Total Revenues: | | | | |
| Difference between Amount of | | | | |
| Unbilled Revenue December 2002 and | | | | |
| December 2003 | 1,947 | 894 | 936 | 3,777 |
| | ----- | ----- | ----- | ----- |
| | 198,754 | 76,316 | 2,737 | 277,807 |
| | ===== | ===== | ===== | ===== |

Page 25

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES
ACCOUNT 458

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| NAME OF NONASSOCIATE COMPANY | DIRECT COST CHARGED | INDIRECT COST CHARGED | COMPENSATION FOR USE OF CAPITAL | TOTAL COST | EXCESS OR DEFICIENCY | AMOUNT BILLED |
|------------------------------|---------------------|-----------------------|---------------------------------|------------|----------------------|---------------|
| | 458-1 | 458-2 | 458-3 | | 458-4 | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | |
| N/A | | | | | | |

INSTRUCTION: Provide a brief description of the services rendered to each nonassociate company:

Page 26

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2003

Schedule XVI

ANALYSIS OF CHARGES FOR SERVICE
ASSOCIATE AND NONASSOCIATE COMPANIES

| DESCRIPTION OF ITEMS | ASSOCIATE COMPANY CHARGES | | | NONASSOCIATE COMPANY CHARGES | | |
|--|---------------------------|---------------|---------|------------------------------|---------------|-------|
| | DIRECT COST | INDIRECT COST | TOTAL | DIRECT COST | INDIRECT COST | TOTAL |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 Salaries and Wages | 90,109 | 27,910 | 118,019 | -- | -- | -- |
| 921 Office Supplies and Expenses | 10,171 | 3,009 | 13,180 | -- | -- | -- |
| 922 Administrative Expenses | | | | | | |
| Transferred -- Credit | 1,202 | (1,202) | -- | -- | -- | -- |
| 923 Outside Services Employed | 50,669 | 1,774 | 52,443 | -- | -- | -- |
| 924 Property Insurance | (1) | 3 | 2 | -- | -- | -- |
| 925 Injuries and Damages | 1,382 | 90 | 1,472 | -- | -- | -- |
| 926 Employee Pensions and Benefits | 471 | 29,718 | 30,189 | -- | -- | -- |
| 928 Regulatory Commission Expense | 568 | -- | 568 | -- | -- | -- |
| 930.1 General Advertising Expenses | 516 | 15 | 531 | -- | -- | -- |
| 930.2 Miscellaneous General Expense | 3,445 | 503 | 3,948 | -- | -- | -- |
| 931 Rents | 20,820 | 342 | 21,162 | -- | -- | -- |
| 932 Maintenance of Structure and Equipment | 13,232 | 2,389 | 15,621 | -- | -- | -- |
| 403 Depreciation and Amortization Expense | 5,463 | 1,601 | 7,064 | -- | -- | -- |
| 408 Taxes Other Than Income Taxes | 469 | 8,642 | 9,111 | -- | -- | -- |
| 409 Income Taxes | -- | 7,083 | 7,083 | -- | -- | -- |
| 410 Provision for Deferred Income Taxes | -- | 1,543 | 1,543 | -- | -- | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | | | |
|--|--|---------|---------|---------|----|----|
| 411 | Provision for Deferred Income | | | | | |
| | Taxes -- Credit | -- | (7,741) | (7,741) | -- | -- |
| 419 | Other Interest | -- | (14) | (14) | -- | -- |
| 421 | Gain/Loss on Sale of Property | -- | 24 | 24 | -- | -- |
| 426.1 | Donations | 236 | 134 | 370 | -- | -- |
| 426.5 | Other Deductions | 2 | 47 | 49 | -- | -- |
| 427 | Interest on Long-Term Debt | -- | -- | -- | -- | -- |
| 431 | Other Interest Expense | -- | 446 | 446 | -- | -- |
| ----- | | | | | | |
| Instructions: Total cost of service will equal the amount billed to associate and nonassociate companies under their separate analysis of billing schedules. | | | | | | |
| ----- | | | | | | |
| | Total Expenses | 198,754 | 76,316 | 275,070 | -- | -- |
| ----- | | | | | | |
| 430 | Interest on Short-Term Debt | | | 936 | | |
| ----- | | | | | | |
| | Compensation for Use of Capital-Associated Companies | | | | | |
| ----- | | | | | | |
| 430 | Intercompany Interest on Indebtedness | | | 1,801 | | |
| ----- | | | | | | |
| | Compensation for Use of Equity Capital | | | -- | | |
| ----- | | | | | | |
| | Total Cost of Service | | | 277,807 | | |
| ----- | | | | | | |

Page 27

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2003

Schedule XVII
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

| | | DEPART | | |
|----------------------|--|---------|----------|------------|
| | | TOTAL | OVERHEAD | Accounting |
| DESCRIPTION OF ITEMS | | AMOUNT | | |
| ----- | | ----- | ----- | ----- |
| | | \$000 | \$000 | \$000 |
| 920 | Salaries and Wages | 118,019 | 27,910 | 6,846 |
| 921 | Office Supplies and Expenses | 13,180 | 3,009 | 205 |
| 922 | Administrative Expenses Transferred - Credit | -- | (1,202) | -- |
| 923 | Outside Services Employed | 52,443 | 1,774 | 647 |
| 924 | Property Insurance | 2 | 3 | -- |
| 925 | Injuries and Damages | 1,472 | 90 | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | |
|-------|--|---------|---------|-----|
| 926 | Employee Pensions and Benefits | 30,189 | 29,718 | 15 |
| 928 | Regulatory Commission Expense | 568 | -- | -- |
| 930.1 | General Advertising Expense | 531 | 15 | 6 |
| 930.2 | Miscellaneous General Expense | 3,948 | 503 | 111 |
| 931 | Rents | 21,162 | 342 | 11 |
| 932 | Maintenance of Structures and Equipment | 15,621 | 2,389 | 1 |
| 403 | Depreciation and Amortization Expense | 7,064 | 1,601 | -- |
| 408 | Taxes Other Than Income Taxes | 9,111 | 8,642 | -- |
| 409 | Income Taxes | 7,083 | 7,083 | -- |
| 410 | Provision for Deferred Income Taxes | 1,543 | 1,543 | -- |
| 411 | Administrative Expenses Transferred - Credit | (7,741) | (7,741) | -- |
| 411.5 | Investment Tax Credit | -- | -- | -- |
| 419 | Other Interest | (14) | (14) | -- |
| 421 | Miscellaneous Income or Loss | 24 | 24 | -- |
| 426.1 | Donations | 370 | 134 | 2 |
| 426.5 | Other Deductions | 49 | 47 | -- |
| 427 | Interest on Long-Term Debt | -- | -- | -- |
| 430 | Interest on Debt to Associate Companies | 2,737 | 2,737 | -- |
| 431 | Other Interest Expense | 446 | 446 | -- |

Instruction: Indicate each department or service
function. (See Instruction 01-3 General
Structure of Accounting System:
Uniform System Account)

| | | | | |
|--|----------------|---------|--------|-------|
| | Total Expenses | 277,807 | 79,053 | 7,844 |
|--|----------------|---------|--------|-------|

| | | DEPARTMENT OR SERVICE FUNCT | | |
|----------------------|--|--------------------------------|-----------------------|----------------------------|
| DESCRIPTION OF ITEMS | | Company General Managers | Company Presidents | Corporate Communication |
| | | \$000 | \$000 | \$000 |
| 920 | Salaries and Wages | 478 | 388 | 1,58 |
| 921 | Office Supplies and Expenses | 28 | 69 | 50 |
| 922 | Administrative Expenses Transferred - Credit | -- | -- | -- |
| 923 | Outside Services Employed | 22 | 11 | 93 |
| 924 | Property Insurance | -- | -- | -- |
| 925 | Injuries and Damages | -- | -- | -- |
| 926 | Employee Pensions and Benefits | -- | -- | -- |
| 928 | Regulatory Commission Expense | -- | -- | -- |
| 930.1 | General Advertising Expense | -- | -- | 26 |
| 930.2 | Miscellaneous General Expense | 7 | 117 | 25 |
| 931 | Rents | 4 | 7 | 3 |
| 932 | Maintenance of Structures and Equipment | -- | -- | -- |
| 403 | Depreciation and Amortization Expense | -- | -- | -- |
| 408 | Taxes Other Than Income Taxes | -- | -- | -- |
| 409 | Income Taxes | -- | -- | -- |
| 410 | Provision for Deferred Income Taxes | -- | -- | -- |
| 411 | Administrative Expenses Transferred - Credit | -- | -- | -- |
| 411.5 | Investment Tax Credit | -- | -- | -- |
| 419 | Other Interest | -- | -- | -- |
| 421 | Miscellaneous Income or Loss | -- | -- | -- |
| 426.1 | Donations | -- | -- | 18 |
| 426.5 | Other Deductions | -- | -- | -- |
| 427 | Interest on Long-Term Debt | -- | -- | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | |
|-----|---|----|----|
| 430 | Interest on Debt to Associate Companies | -- | -- |
| 431 | Other Interest Expense | -- | -- |

 Instruction: Indicate each department or service
 function. (See Instruction 01-3 General
 Structure of Accounting System:
 Uniform System Account)

| | | | |
|----------------|-----|-----|------|
| Total Expenses | 539 | 592 | 3,75 |
|----------------|-----|-----|------|

Page 28

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
 For the Year Ended December 31, 2003

Schedule XVII

SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

| Account Number | Corporate Secretary | Corporate Treasury | Customer Contact Centers | Energy Supply Services | Environmental Affairs |
|-------------------|------------------------|-----------------------|--------------------------------|------------------------------|--------------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 | 229 | 786 | 1,505 | 4,930 | 5,044 |
| 921 | 56 | 25 | 71 | 194 | 598 |
| 922 | -- | -- | -- | -- | -- |
| 923 | 2,089 | 177 | 4 | 295 | 437 |
| 924 | -- | -- | -- | -- | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | -- | -- | -- | 33 | 17 |
| 928 | -- | -- | -- | -- | -- |
| 930.1 | -- | -- | -- | 2 | -- |
| 930.2 | 53 | 517 | 66 | 15 | 110 |
| 931 | -- | 1 | 11 | 20 | 200 |
| 932 | -- | -- | -- | 17 | 52 |
| 403 | -- | -- | -- | -- | -- |
| 408 | -- | -- | -- | -- | -- |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | -- | -- | -- | 16 |
| 426.5 | -- | -- | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 2,427 | 1,506 | 1,657 | 5,506 | 6,474 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| Account Number | Executive VP and CFO | Executive VP and COO | Executive VP Regulated Revenue | Facilities Management | Financial Planning |
|----------------|----------------------|----------------------|--------------------------------|-----------------------|--------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 | 505 | 1,330 | 378 | 771 | 3,448 |
| 921 | 48 | 275 | 65 | 334 | 156 |
| 922 | -- | -- | -- | 1,202 | -- |
| 923 | 8 | 1,336 | 137 | 59 | 560 |
| 924 | -- | -- | -- | -- | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | 4 | 3 | -- | 226 | 33 |
| 928 | -- | -- | -- | -- | -- |
| 930.1 | -- | -- | -- | -- | 3 |
| 930.2 | 4 | 70 | 8 | 9 | 79 |
| 931 | 13 | 13 | 11 | 10,767 | 11 |
| 932 | -- | -- | -- | 3,004 | 1 |
| 403 | -- | -- | -- | -- | -- |
| 408 | -- | -- | -- | -- | -- |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | -- | -- | -- | -- |
| 426.5 | -- | -- | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 582 | 3,027 | 599 | 16,372 | 4,291 |

Page 29

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2003

Schedule XVII
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

| Account Number | Fleet Management | Governmental Affairs | Human Resources/Benefits | Information Technology | Investor Relations |
|----------------|------------------|----------------------|--------------------------|------------------------|--------------------|
|----------------|------------------|----------------------|--------------------------|------------------------|--------------------|

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | \$000 | \$000 | \$000 | \$000 | \$000 |
|----------------|-------|-------|-------|--------|-------|
| 920 | 1,281 | 209 | 3,042 | 26,985 | 262 |
| 921 | 92 | 39 | 172 | 3,250 | 79 |
| 922 | -- | -- | -- | -- | -- |
| 923 | -- | 110 | 1,105 | 7,151 | 132 |
| 924 | -- | -- | -- | 1 | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | -- | -- | 37 | 35 | -- |
| 928 | -- | -- | -- | -- | -- |
| 930.1 | -- | -- | -- | 9 | -- |
| 930.2 | 2 | 3 | 27 | 806 | 7 |
| 931 | 3 | 87 | 3 | 8,971 | -- |
| 932 | -- | -- | 1 | 10,025 | -- |
| 403 | -- | -- | -- | 4,957 | -- |
| 408 | -- | -- | -- | 249 | -- |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | 5 | -- | -- | -- |
| 426.5 | -- | -- | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 1,378 | 453 | 4,387 | 62,439 | 480 |

| Account Number | Large Customer Relationships and Transportation | Legal | Materials & Supplies | Meter-to-Cash | NiSource Retail Services |
|----------------|---|--------|----------------------|---------------|--------------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 | 1,363 | 3,993 | 2,026 | 782 | 23 |
| 921 | 226 | 1,526 | 83 | 323 | 6 |
| 922 | -- | -- | -- | -- | -- |
| 923 | 1,457 | 28,724 | 82 | 58 | 41 |
| 924 | -- | -- | -- | -- | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | 8 | 11 | -- | -- | -- |
| 928 | -- | -- | -- | -- | -- |
| 930.1 | 183 | -- | -- | -- | 14 |
| 930.2 | 10 | 135 | 12 | 6 | 27 |
| 931 | 4 | 25 | 3 | 3 | -- |
| 932 | -- | 25 | 1 | 14 | 1 |
| 403 | -- | -- | -- | -- | -- |
| 408 | -- | -- | -- | -- | -- |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | | |
|----------------|-------|--------|-------|-------|-----|
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | -- | -- | -- | -- |
| 426.5 | -- | -- | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 3,251 | 34,439 | 2,207 | 1,186 | 112 |

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2003

Schedule XVII
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

| Account Number | Operations Integration | Procurement | Real Estate Investments | Regulatory & Government | Security |
|----------------|------------------------|-------------|-------------------------|-------------------------|----------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 | 381 | 1,122 | 203 | 3,359 | 426 |
| 921 | 53 | 133 | 16 | 477 | 51 |
| 922 | -- | -- | -- | -- | -- |
| 923 | 78 | 113 | 137 | 1,970 | 52 |
| 924 | -- | -- | -- | -- | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | -- | -- | -- | -- | -- |
| 928 | -- | -- | -- | 568 | -- |
| 930.1 | -- | 2 | -- | 29 | -- |
| 930.2 | 1 | 20 | -- | 316 | 16 |
| 931 | 3 | 6 | 7 | 39 | -- |
| 932 | -- | 7 | -- | -- | -- |
| 403 | -- | -- | -- | -- | -- |
| 408 | -- | -- | -- | -- | -- |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | -- | -- | 23 | -- |
| 426.5 | -- | 2 | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 516 | 1,405 | 363 | 6,781 | 545 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| Account Number | Support Operations | Tax | Technical Operations | Vice Chairman | Other |
|----------------|--------------------|-------|----------------------|---------------|-------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 920 | 1,049 | 1,580 | 1,762 | 915 | 7,746 |
| 921 | 137 | 110 | 351 | 38 | -- |
| 922 | -- | -- | -- | -- | -- |
| 923 | 5 | 416 | 108 | 39 | -- |
| 924 | -- | -- | -- | -- | -- |
| 925 | -- | -- | -- | -- | -- |
| 926 | -- | -- | 41 | -- | -- |
| 928 | -- | -- | -- | -- | -- |
| 930.1 | -- | -- | -- | -- | -- |
| 930.2 | 35 | 10 | 47 | 7 | -- |
| 931 | 21 | 5 | 18 | -- | 1 |
| 932 | -- | -- | 5 | -- | -- |
| 403 | -- | -- | -- | -- | -- |
| 408 | -- | -- | -- | -- | 218 |
| 409 | -- | -- | -- | -- | -- |
| 410 | -- | -- | -- | -- | -- |
| 411 | -- | -- | -- | -- | -- |
| 411.5 | -- | -- | -- | -- | -- |
| 419 | -- | -- | -- | -- | -- |
| 421 | -- | -- | -- | -- | -- |
| 426.1 | -- | -- | -- | -- | -- |
| 426.5 | -- | -- | -- | -- | -- |
| 427 | -- | -- | -- | -- | -- |
| 430 | -- | -- | -- | -- | -- |
| 431 | -- | -- | -- | -- | -- |
| Total Expenses | 1,247 | 2,121 | 2,332 | 999 | 7,965 |

Page 30

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

DEPARTMENTAL ANALYSIS OF SALARIES

ACCOUNT 920

| NAME OF DEPARTMENT Indicate each department or service function | DEPARTMENTAL SALARY EXPENSE | | | |
|---|-------------------------------|-------------------|---------------------|-------------------|
| | INCLUDED IN AMOUNTS BILLED TO | | | |
| | TOTAL AMOUNT | PARENT COMPANY | OTHER ASSOCIATES | NON ASSOCIATES |
| ----- | ----- | ----- | ----- | ----- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | \$000 | \$000 | \$000 | \$000 |
|--|--------|-------|--------|-------|
| Accounting | 9,684 | 164 | 9,520 | -- |
| Auditing | 2,225 | 47 | 2,178 | -- |
| Aviation Services | 180 | -- | 180 | -- |
| Chairman, President and CEO | 1,625 | 263 | 1,362 | -- |
| Company General Managers | 684 | -- | 684 | -- |
| Company Presidents | 572 | -- | 572 | -- |
| Corporate Communications | 1,992 | 1 | 1,991 | -- |
| Corporate Insurance | 898 | 8 | 890 | -- |
| Corporate Secretary | 310 | 97 | 213 | -- |
| Corporate Treasury | 1,022 | 17 | 1,005 | -- |
| Customer Contact Centers | 1,877 | -- | 1,877 | -- |
| Energy Supply Services | 6,090 | -- | 6,090 | -- |
| Environmental Affairs | 6,165 | 51 | 6,114 | -- |
| Executive VP and CFO | 714 | 37 | 677 | -- |
| Executive VP and COO | 1,856 | 73 | 1,783 | -- |
| Executive VP Regulated Revenue | 540 | 1 | 539 | -- |
| Facilities Management | 1,048 | 10 | 1,038 | -- |
| Financial Planning | 4,623 | 19 | 4,604 | -- |
| Fleet Management | 1,547 | -- | 1,547 | -- |
| Governmental Affairs | 302 | 2 | 300 | -- |
| Human Resources/Benefits | 4,301 | 8 | 4,293 | -- |
| Information Technology | 36,590 | 95 | 36,495 | -- |
| Investor Relations | 367 | 5 | 362 | -- |
| Large Customer Relationships and Transportation | 1,794 | 1 | 1,793 | -- |
| Legal | 5,240 | 336 | 4,904 | -- |
| Materials & Supplies | 2,436 | 2 | 2,434 | -- |
| Meter-to-Cash | 1,033 | 1 | 1,032 | -- |
| NiSource Retail Services | 31 | 13 | 18 | -- |
| Operations Integration | 459 | 104 | 355 | -- |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | |
|-------------------------|---------|--------|---------|-------|
| Procurement | 2,245 | 22 | 2,223 | -- |
| Real Estate Investments | 299 | 5 | 294 | -- |
| Regulatory & Government | 4,458 | 3 | 4,455 | -- |
| Security | 546 | 9 | 537 | -- |
| Support Operations | 1,290 | -- | 1,290 | -- |
| Tax | 2,096 | 34 | 2,062 | -- |
| Technical Operations | 2,178 | -- | 2,178 | -- |
| Vice Chairman | 1,189 | 32 | 1,157 | -- |
| Other | 7,513 | 16,110 | (8,597) | -- |
| | ----- | ----- | ----- | ----- |
| Total | 118,019 | 17,570 | 100,449 | -- |
| | ----- | ----- | ----- | ----- |

Page 31

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

 OUTSIDE SERVICES EMPLOYED

ACCOUNT 923

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and the amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

| FOR WHOM PURCHASED | ADDRESS | RELATIONSHIP "A"= ASSOCIATE "NA"=NON-ASSOCIATE | AMOUNT |
|--------------------|---------|--|--------|
| ----- | ----- | ----- | ----- |
| | | | \$000 |
| See schedule 923-A | | | 52,443 |

Page 32

SCHEDULE 923-A

Edgar Filing: NISOURCE INC/DE - Form U-13-60

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

OUTSIDE SERVICES EMPLOYED

ACCOUNT 923

| FOR WHOM PURCHASED | ADDRESS |
|--|--|
| <p>1-Special Services - Audit</p> <p style="padding-left: 20px;">5 Organizations</p> | <p style="text-align: right;">Total Special Services - Audit</p> |
| <p>2-Special Services - Legal</p> | |
| <p>BAKER & DANIELS BARNES & THORNBURG BORDEN LADNER GERVAIS LLP BRICKER & ECKLER LLP BRICKLEY, SEARS & SORETT, P.A. C.D. BENGSTON RESOURCE MAN CARSCALLEN LOCKWOOD LLP CONNELLY ROBERTS & MCGIVNEY CRANE, GREENE & PARENTE DOERNER, SAUNDERS, DANIELS & ANDER DRINKER, BIDDLE & REATH EICHHORN & EICHHORN HAGEMIER, ALLEN & SMITH JACKSON & KELLY ROBERT G KERN ESQ LEBOEUF, LAMB, GREENE & MACRAE MCGUIRE WOODS MORGAN, BROWN, & JOY LLP MORGAN LEWIS AND BOCKIUS PAUL HASTINGS PEACOCK LINDER & HALT REED SMITH LLP ROBINSON & MCELWEE LLP RUBIN & RUDMAN, LLP SCHIFF HARDIN & WAITE SIDLEY AUSTIN BROWN & WOOD (DC) SIMON PERAGINE SMITH STEPTOE & JOHNSON SWIDLER BERLIN SHEREFF & FRIEDMAN THELEN REID & PRIEST LLP WOODEN & MCLAUGHLIN LLP</p> | <p>P.O. BOX 664091, INDIANAPOLIS, IN 46266-4091 11 SOUTH MERIDIAN STREET, INDIANAPOLIS, IN 46204-3556 400 3RD AVE SW STE 1000, CALGARY, AB T2P 4H2 100 S THIRD ST, COLUMBUS, OH 43215-4236 75 FEDERAL ST, BOSTON, MA 02110-2699 2900,350 7 AVENUE, CALGARY, ALBERTA, T2P3N9 1500 407 2ND STREET SW, CALGARY, AB T2P2Y3 ONE NORTH FRANKLIN STREET, CHICAGO, IL 60606 90 STATE STREET, ALBANY, NY 12207 320 S BOSTON AVE STE 500, TULSA, OK 74103-3725 1500 K STREET, WASHINGTON, DC 20005 200 RUSSELL ST., HAMMOND, IN 46325 1170 MARKET TOWER, INDIANAPOLIS, IN 46204-2964 P.O. BOX 11276, CHARLESTON, WV 25339 1200 CRAMER LN, CHAPEL HILL, NC 27516-8382 99 WASHINGTON AVENUE, ALBANY, NY 12210-2820 ONE JAMES CENTER-ACCOUNTING, RICHMOND, VA 23219-4030 1 BOSTON PLACE, BOSTON, MA 02108-4472 P.O. BOX 8500 S-6050, PHILADELPHIA, PA 19178-6050 1299 PENNSYLVANIA AVE NW, WASHINGTON, DC 20004 350 7TH AVE SW, CALGARY, ALBERTA T3P3N9 P.O. BOX 360074M, PITTSBURGH, PA 15251-6074 P.O. BOX 1791, CHARLESTON, WV 25326 50 ROWES WHARF, BOSTON, MA 02110-3319 6600 SEARS TOWER, CHICAGO, IL 60606-6473 BANK ONE PLAZA, CHICAGO, IL 60603 REDFEARN LLP, NEW ORLEANS, LA 701633000 BANK ONE CNT 6TH FLOOR, CLARKSBURG, WV 26302-2190 3000 K STREET NW, WASHINGTON, DC 20007-5116 875 THIRD AVENUE, NEW YORK, NY 10022 ONE INDIANA SQUARE, INDIANAPOLIS, IN 46204-4208</p> |
| <p>166 Organizations</p> | <p style="text-align: right;">Total Special Services - Legal</p> |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

Page 33

SCHEDULE 923-A

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

OUTSIDE SERVICES EMPLOYED

ACCOUNT 923

| FOR WHOM PURCHASED | ADDRESS |
|-----------------------------------|---|
| 3-Special Services - Consulting | |
| ACCENTURE LLP | P.O. BOX 70629, CHICAGO, IL 60673-0629 |
| ACLOCHE LLC | P.O. BOX 632997, CINCINNATI, OH 45263-2997 |
| ADECCO TECHNICAL PA | P.O. BOX 371084, PITTSBURGH, PA 15250-7084 |
| CDI CORPORATION | P.O. BOX 532428, ATLANTA, GA 30353-2428 |
| CHRISTENSEN & ASSOCIATES | P.O. BOX 60003, PHOENIX, AZ 85082-0003 |
| JAMES M CLARKE | 2912 ROSLYN TER, LONG BEACH, IN 46360-1726 |
| COMPUTER TASK GROUP INC | P.O. BOX 711778, CINCINNATI, OH 45271-1778 |
| PETER M. CONNOR | 3904 RIO GRANDE AVENUE, GROVEPORT, OH 43125 |
| F1, INC. | 359 S. FRANKLIN ST., VALPARAISO, IN 46383-6423 |
| GARTNER GROUP, INC. | P.O. BOX 911319, DALLAS, TX 75391-1319 |
| HMB | 191 W. NATIONWIDE BLVD., COLUMBUS, OH 43215 |
| INFORMATION INTEGRATORS, INC. | 2540 FOSSIL STONE ROAD, DYER, IN 46311-1956 |
| IPSE CONSULTING (DD), INC | 64 SENECA EAST, HAWTHORN WOODS, IL 60047 |
| META GROUP INC | P.O. BOX 19114, NEWARK, NJ 07195-0114 |
| PATRICK J. MULCHAY | 801 E86TH AVE, MERRILLVILLE, IN 46410 |
| ROBINSON & MCELWEE LLP | P.O. BOX 1791, CHARLESTON, WV 25326 |
| RUSSELL REYNOLDS ASSOCIATES | CHURCH STREET STATION, NEW YORK, NY 102496427 |
| FRANK SHAMBO | 10828 CARIBOU LN, ORLAND PARK, IL 60467 |
| STATEGIC GLOBAL POLICY CONSULTING | 17 SOUTH HIGH STREET, COLUMBUS, OH 43215 |
| TECHNOLOGY CONSULTING ASSOC. | 5887 GLENRIDGE DRIVE, ATLANTA, GA 30328 |
| THOMAS GREEN & ASSOCIATES LLC | 21 EAST STATE STREET, COLUMBUS, OH 43215-4243 |
| TRANSTECH INC | P.O. BOX 95169, PALATINE, IL 60095-0169 |
| WILKERSON & ASSOCIATES | 3339 TAYLORSVILLE ROAD, LOUISVILLE, KY 40205-3103 |

210 Organizations

Total Special Services - Consulting

Page 34

SCHEDULE 923-A

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

OUTSIDE SERVICES EMPLOYED

ACCOUNT 923

REL
"A"
"NA
AS

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| FOR WHOM PURCHASED | ADDRESS |
|-------------------------------------|--|
| 4-Special Services - Other | |
| ADECCO TECHNICAL PA | P.O. BOX 371084, PITTSBURGH, PA 15250-7084 |
| AT&T | 7872 COLLECTION CENTER DRIVE, CHICAGO, IL 60693 |
| COLUMBIA GAS TRANSMISSION COMPANY | 200 CIVIC CENTER DRIVE, COLUMBUS, OH 43215 |
| COLUMBIA GAS OF PENNSYLVANIA | 200 CIVIC CENTER DRIVE, COLUMBUS, OH 43215 |
| KEVIN M. CONSIDINE, P C | 1 BOSTON PLACE, 28TH FLOOR, BOSTON, MA 02108 |
| FITCH, INC | P.O. BOX 26858, NEW YORK, NY 10087-6858 |
| HEWITT ASSOCIATES LLC | P.O. BOX 95135, CHICAGO, IL 60694-5135 |
| LANIER WORLDWIDE INC | LANIER PROFESSIONAL SERVICES, ATLANTA, GA 30392-1960 |
| MARKETING SERVICES BY VECTRA | 3990 BUSINESS PARK DRIVE, COLUMBUS, OH 43204 |
| MELLON INVESTOR SERVICES | ACCOUNTING DEPARTMENT, PITTSBURGH, PA 15251-6857 |
| META GROUP INC | P.O. BOX 19114, NEWARK, NJ 07195-0114 |
| MORROW & COMPANY, INC. | F.D.R. STATION, NEW YORK, NY 10150-0748 |
| MOSSBERG & COMPANY INC | P.O. BOX 210, SOUTH BEND, IN 46624-0210 |
| NEW YORK STOCK EXCHANGE, INC | P.O. BOX 4530, NEW YORK, NY 10163 |
| NORTHERN INDIANA PUBLIC SERVICE CO. | 5201 INDUSTRIAL HIGHWAY, GARY, IN 46406-1125 |
| POMEROY COMPUTER | RESOURCES, INC., CINCINNATI, OH 452640381 |
| ROBERT HALF TECHNOLOGY | 12400 COLLECTION CENTER DR, CHICAGO, IL 60693-0124 |
| SUNGARD RECOVERY SERVICES INC. | P.O. BOX 91233, CHICAGO, IL 60693 |

573 ORGANIZATIONS

Total Special Services - Other

Total All Special Services

Page 35

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

EMPLOYEE PENSIONS AND BENEFITS

ACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

| DESCRIPTION | AMOUNT |
|------------------------|--------|
| | \$000 |
| Dental Assistance Plan | 1,063 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | |
|-----------------------------------|--------|
| Educational Assistance | 443 |
| Employee Assistance Plan | 136 |
| Employee Cafeteria Subsidy | 282 |
| Employee Relocation Expense | 796 |
| Employee Retirement Expense | 7,989 |
| Flexible Spending Health & Dental | 28 |
| Group Life Insurance | 355 |
| Long-Term Disability Insurance | 119 |
| Medical Expense Plan | 10,390 |
| Pension Restoration Plan | 5,231 |
| Thrift Plan | 3,283 |
| Miscellaneous | 74 |
| Total | 30,189 |

Page 36

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

GENERAL ADVERTISING EXPENSES

ACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses," classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

| DESCRIPTION | NAME OF PAYEE | AMOUNT |
|---------------------------------|---------------------------------------|--------|
| ----- | ----- | ----- |
| | | \$000 |
| Employee Recruiting/Advertising | Big River Advertising | 30 |
| Employee Recruiting/Advertising | Brown Publishing Co. | 3 |
| Employee Recruiting/Advertising | Buyrite Merchandising Corp | 3 |
| Employee Recruiting/Advertising | California University Of Pennsylvania | 25 |
| Employee Recruiting/Advertising | Clear Channel Outdoor | 4 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | |
|---------------------------------|-----------------------------------|-----|
| Employee Recruiting/Advertising | Clear Channel Radio | 4 |
| Employee Recruiting/Advertising | Columbus Blue Jackets | 50 |
| Employee Recruiting/Advertising | Columbus Dispatch | 17 |
| Employee Recruiting/Advertising | Element Design Group | 5 |
| Employee Recruiting/Advertising | Ferrante & Associates | 14 |
| Employee Recruiting/Advertising | Hearld Star | 6 |
| Employee Recruiting/Advertising | Lord, Sullivan, & Yoder | 7 |
| Employee Recruiting/Advertising | Marketing Services By Vectra | 10 |
| Employee Recruiting/Advertising | Nationwide Advertising | 4 |
| Employee Recruiting/Advertising | Newspaper Network Of Central Ohio | 10 |
| Employee Recruiting/Advertising | Shaker Advertising Agency | 7 |
| Employee Recruiting/Advertising | Steelers Radio Network | 9 |
| Employee Recruiting/Advertising | The David Group | 22 |
| Employee Recruiting/Advertising | The Plain Dealer | 9 |
| Employee Recruiting/Advertising | The Toledo Blade Company | 9 |
| Employee Recruiting/Advertising | Think, Inc. | 250 |
| Employee Recruiting/Advertising | All Others | 33 |
| | | --- |
| TOTAL | | 531 |

Page 37

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

MISCELLANEOUS GENERAL EXPENSES

ACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses," classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b) (2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. Section 441 (b) (2) shall be separately classified.

| DESCRIPTION | AMOUNT |
|----------------------------------|--------|
| | \$000 |
| Aircraft Service | 164 |
| Dues and Memberships - Corporate | 333 |
| Employee Recruiting | 69 |
| Employee Training | 1,558 |
| Other | 1,824 |
| TOTAL | 3,948 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

Page 38

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

RENTS

ACCOUNT 931

INSTRUCTIONS: Provide a listing of the amount included in Account 931, "Rents", classifying such expenses by major grouping of property, as defined in the account definition of the Uniform System of Accounts.

| | AMOUNT |
|------------------------|--------------------------|
| | ----- |
| | \$000 |
| Air Transportation | 498 |
| Auto and General Tools | 672 |
| Communications | 661 |
| Data Processing | 5,275 |
| Office Space | 10,935 |
| Miscellaneous | 3,121 |
| TOTAL | ----- 21,162 ----- |

Page 39

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

TAXES OTHER THAN INCOME TAXES

ACCOUNT 408

INSTRUCTIONS: Provide an analysis of Account 408, "Taxes Other Than Income Taxes." Separate the analysis into two groups: (1) other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class tax.

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | AMOUNT |
|---------------------------------------|--------|
| | ----- |
| | \$000 |
| (1) Other than U.S. Government Taxes: | |
| Property | 1,123 |
| Sales and Use | 6 |
| Unemployment | 313 |
| License or Franchise | -- |
| | ----- |
| Total - other | 1,442 |
| (2) U.S. Government Taxes: | |
| Federal Insurance Contribution | 7,381 |
| Unemployment | 88 |
| Miscellaneous | 200 |
| | ----- |
| Total - Federal | 7,669 |
| TOTAL | 9,111 |
| | ----- |

Page 40

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

DONATIONS

ACCOUNT 426.1

INSTRUCTIONS: Provide a listing of the amount included in Account 426-1, "Donations," classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

| NAME OF RECIPIENT | PURPOSE OF DONATION | AMOUNT |
|--------------------------------------|---------------------|--------|
| ----- | ----- | ----- |
| | | \$000 |
| Advantages in Marketing | Community Welfare | 7 |
| Affiliated Chambers of Commerce | Community Welfare | 8 |
| American Cancer Society | Community Welfare | 5 |
| Energy and Environmental Analysis | Community Welfare | 10 |
| First Night Columbus | Community Welfare | 5 |
| Fitz Gerald & Robbins Inc. | Community Welfare | 9 |
| Greater Columbus Chamber of Commerce | Community Welfare | 10 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | |
|-------------------------------------|-------------------|-------|
| Indiana Port Commission | Community Welfare | 5 |
| National Capital Area Council | Community Welfare | 5 |
| Operation Defibrillator | Community Welfare | 3 |
| The University of Toledo Foundation | Community Welfare | 17 |
| United Way of Central Ohio | Community Welfare | 130 |
| United Way of South Hampton | Community Welfare | 5 |
| USCHPA Conference Headquarters | Community Welfare | 5 |
| VMI Key Club | Community Welfare | 10 |
| Miscellaneous (198) | | 136 |
| | | ----- |
| TOTAL | | 370 |
| | | ----- |

Page 41

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

OTHER DEDUCTIONS

ACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions," classifying such expenses according to their nature.

| DESCRIPTION | AMOUNT |
|-------------|--------|
| | \$000 |
| Fees | 49 |
| | ----- |
| TOTAL | 49 |
| | ----- |

Page 42

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

SCHEDULE XVIII

NOTES TO STATEMENT OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

Salary and wage expense was lower \$21.9 million in 2003 when compared to 2002. In 2002, salary and wage expense was higher \$10.1 million as a result of severance charges relating to a corporate restructuring initiative. Salary and wage expense was also lower in 2003 due to a decrease in stock based compensation and bonus payout of \$11.1 and \$1.7 million respectively.

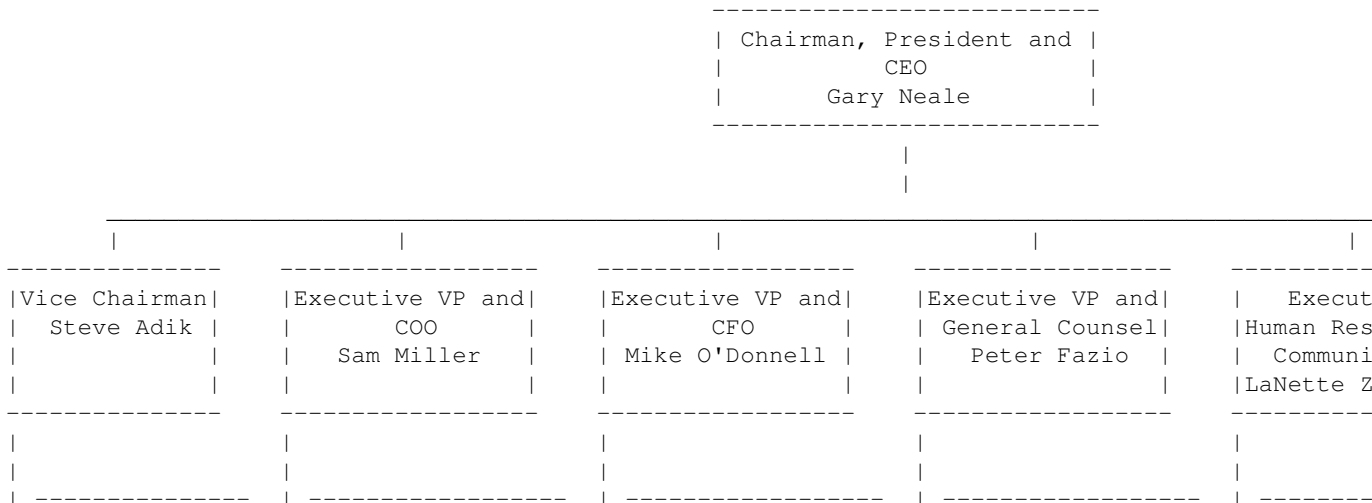
Outside Services decreased approximately \$20 million from 2002 to 2003. Outside services was lower \$14 million in 2003 when compared to 2002 due to a decrease in Consulting and Legal expenses of \$7 million and \$7 million respectively. Other outside services also decreased approximately \$6 million in 2003 when compared to 2002. The decrease in other outside services is primarily due to a one-time payment to an outside firm in 2002 as a result of a restructuring initiative.

Benefits expense increased in 2003 by \$5.3 million. This increase was primarily due to increased Retirement Income Plan expense from 2002 to 2003.

Page 43

NiSource Corporate Services Company Inc.

Organization Chart



Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | |
|----------------|---------------------|---------------|------------------|------------|
| - Auditing | - Aviation | - Accounting | - Corporate | - Corp |
| | Services | | Secretary | Commun |
| ----- | ----- | ----- | ----- | ----- |
| - Real Estate | - Company | - Corporate | - Environmental | - Human R |
| Investments | General Managers | Insurance | Affairs | Ben |
| ----- | ----- | ----- | ----- | ----- |
| | - Customer | - Corporate | - Legal | |
| | Contact Centers | Treasury | | |
| | ----- | ----- | ----- | |
| | - Facilities | - Financial | - Security | |
| | Management | Planning | | |
| | ----- | ----- | ----- | |
| | - Fleet Management | - Investor | | |
| | | Relations | | |
| | ----- | ----- | | |
| | - Information | - Tax | | |
| | Technology | | | |
| | ----- | ----- | | |
| | - Materials & | - Other | | |
| | Supplies | | | |
| | ----- | ----- | | |
| | - Meter-to- | | | |
| | Cash | | | |
| | ----- | | | |
| | - NiSource | | | |
| | Retail Services | | | |
| | ----- | | | |
| | - Operations | | | |
| | Integration | | | |
| | ----- | | | |
| | - Procurement | | | |
| | | | | |
| | ----- | | | |
| | - Support | | | |
| | Operations | | | |
| | ----- | | | |
| | - Technical | | | |

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

METHODS OF ALLOCATION

The following Basis of Allocation have been approved by the SEC as a method of allocating Job Order charges and convenience payments directly to Associate Companies.

- Total Gross Fixed Assets and Total Operating Expenses
- Total Gross Fixed Assets
- Total Operating Expenses and Gross Depreciable Property
- Gross Depreciable Property
- Number of Automobile Units Owned and Leased
- Number of Retail Customers
- Number of Regular Employees
- Fixed Allocation
- Number of Transportation Customers
- Total Employees and Customers
- Total Plant, State Employees and Customers
- Total Tariff and Transportation Customers
- Direct Costs

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2003

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

COMPENSATION FOR USE OF CAPITAL
SUMMARY OF BILLING TO ASSOCIATE COMPANIES

| Company | Direct & Allocated Labor | Compensation Billed |
|---|--------------------------------|------------------------|
| ----- | ----- | ----- |
| | \$000 | \$000 |
| Bay State Massachusetts | 7,265 | 167 |
| Columbia Atlantic Trading Corporation | 3 | -- |
| Columbia Energy Group | 2,923 | 67 |
| Columbia Energy Group Capital Corporation | 2 | -- |
| Columbia Energy Services Corporation | 77 | 2 |
| Columbia Finance Corporation | 8 | -- |
| Columbia Gas of Kentucky, Inc. | 2,592 | 60 |
| Columbia Gas of Maryland, Inc. | 911 | 21 |
| Columbia Gas of Ohio, Inc. | 15,875 | 364 |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | |
|---|--------|-------|
| Columbia Gas of Pennsylvania, Inc. | 6,691 | 154 |
| Columbia Gas of Virginia, Inc. | 4,135 | 95 |
| Columbia Gas Transmission Corporation | 12,745 | 292 |
| Columbia Gulf Transmission Company | 3,114 | 71 |
| Columbia Network Services Corporation | 17 | -- |
| Columbia Pipeline Company | 8 | -- |
| Columbia Remainder Corporation | 91 | 2 |
| Energy USA, Inc | 1,533 | 35 |
| Granite State Gas | 144 | 3 |
| Indianapolis Water Resources | 1 | -- |
| Kokomo Gas and Fuel Company | 160 | 4 |
| NiSource Capital Markets | 8 | -- |
| NiSource Development Company, Inc | 228 | 5 |
| NiSource Energy Services, Inc | 114 | 3 |
| NiSource Energy Technology | 154 | 4 |
| NiSource Finance Company | 25 | 1 |
| NiSource Insurance Corporation, Ltd. | 10 | -- |
| NiSource, Inc. | 1,236 | 28 |
| NiSource Crossroads Pipeline | 109 | 2 |
| Northern Indiana Fuel and Light Company | 232 | 5 |
| Northern Indiana Public Service Company | 15,885 | 364 |
| Northern Utilities Maine | 703 | 16 |
| Northern Utilities New Hampshire | 723 | 17 |
| Primary Energy, Inc | 829 | 19 |
| | ----- | ----- |
| Total | 78,551 | 1,801 |
| | ===== | ===== |

The above is a summary of the Compensation for Use of Capital billed to each company. Attached is a sample of the annual statement sent to each associate company. Since they are identical except for the amount billed, the summary is included in lieu of thirty-three individual statements (see page 49).

Page 46

NISOURCE CORPORATE SERVICES COMPANY, INC.

COMPENSATION FOR USE OF CAPITAL

BILLED TO

COLUMBIA GULF TRANSMISSION COMPANY

DURING 2003

| BILLING MONTH | INTEREST TO PARENT | NET INCOME | TOTAL COMPENSATION | SYSTEM DIRECT & ALLOCATED LABOR | MONTHLY RATE COL. 3/ COL. 4 |
|------------------|--------------------------|---------------|-----------------------|--|--------------------------------------|
| ----- | ----- | ----- | ----- | ----- | ----- |
| | (1) | (2) | (3) | (4) | (5) |

Edgar Filing: NISOURCE INC/DE - Form U-13-60

| | | | | | |
|-----------|--------------|-------|--------------|---------------|---------|
| JANUARY | 150,028.07 | 0.00 | 150,028.07 | 6,231,703.29 | 0.02407 |
| FEBRUARY | 150,028.04 | 0.00 | 150,028.04 | 7,259,585.51 | 0.02067 |
| MARCH | 150,028.04 | 0.00 | 150,028.04 | 6,382,853.98 | 0.02350 |
| APRIL | 150,028.07 | 0.00 | 150,028.07 | 6,702,143.45 | 0.02239 |
| MAY | 150,028.04 | 0.00 | 150,028.04 | 6,335,460.65 | 0.02368 |
| JUNE | 150,028.04 | 0.00 | 150,028.04 | 6,776,301.24 | 0.02214 |
| JULY | 150,028.07 | 0.00 | 150,028.07 | 6,543,332.70 | 0.02293 |
| AUGUST | 150,028.04 | 0.00 | 150,028.04 | 6,329,755.51 | 0.02370 |
| SEPTEMBER | 150,028.04 | 0.00 | 150,028.04 | 6,581,920.62 | 0.02279 |
| OCTOBER | 150,028.07 | 0.00 | 150,028.07 | 6,393,122.89 | 0.02347 |
| NOVEMBER | 150,028.04 | 0.00 | 150,028.04 | 7,027,671.57 | 0.02135 |
| DECEMBER | 150,028.04 | 0.00 | 150,028.04 | 5,987,082.56 | 0.02506 |
| | ----- | ----- | ----- | ----- | ----- |
| | 1,800,336.60 | 0.00 | 1,800,336.60 | 78,550,933.97 | 0.27575 |
| | ===== | ===== | ===== | ===== | ===== |

Page 47

OFFICER AUTHORIZATION

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized.

NISOURCE CORPORATE SERVICES COMPANY, INC.

By: /s/ Vincent DeVito

Vincent DeVito
Controller

Date: April 30, 2004

Page 48