

NISOURCE INC/DE  
Form U-13-60  
April 28, 2005

**Table of Contents**

**Form U-13-60**

Mutual and Subsidiary Service Companies  
Revised February 7, 1980

**ANNUAL REPORT**

For the Period

Beginning January 1, 2004 and Ending December 31, 2004

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

SUSANNE M. TAYLOR, 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)

---

**Table of Contents**

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.
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.

**Table of Contents**

## LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

Description of Schedules and Accounts	Schedule or Account Number	Page Number
<u>COMPARATIVE BALANCE SHEET</u>	Schedule I	5-6
<u>Service Company Property</u>	Schedule II	7-8
<u>Accumulated Provision For Depreciation and Amortization of Service Company Property</u>	Schedule III	9
<u>Investments</u>	Schedule IV	10
<u>Accounts Receivable From Associate Companies</u>	Schedule V	11-12
<u>Fuel Stock Expenses Undistributed</u>	Schedule VI	13
<u>Stores Expense Undistributed</u>	Schedule VII	14
<u>Miscellaneous Current and Accrued Assets</u>	Schedule VIII	15
<u>Miscellaneous Deferred Debits</u>	Schedule IX	16
<u>Research, Development or Demonstration Expenditures</u>	Schedule X	17
<u>Proprietary Capital</u>	Schedule XI	18
<u>Long-Term Debt</u>	Schedule XII	19
<u>Current and Accrued Liabilities</u>	Schedule XIII	20-21
<u>Notes to Financial Statements</u>	Schedule XIV	22-23
<u>COMPARATIVE INCOME STATEMENT</u>	Schedule XV	24
<u>Analysis of Billing Associate Companies</u>	Account 457	25
<u>Analysis of Billing Nonassociate Companies</u>	Account 458	26
<u>Analysis of Charges for Service Associate and Nonassociate Companies</u>	Schedule XVI	27
<u>Schedule of Expense by Department or Service Function</u>	Schedule XVII	28-31
<u>Departmental Analysis of Salaries</u>	Account 920	32-33
<u>Outside Services Employed</u>	Account 923	34-37
<u>Employee Pensions and Benefits</u>	Account 926	38
<u>General Advertising Expenses</u>	Account 930.1	39
<u>Miscellaneous General Expenses</u>	Account 930.2	40
<u>Rents</u>	Account 931	41
<u>Taxes Other Than Income Taxes</u>	Account 408	42
<u>Donations</u>	Account 426.1	43
<u>Other Deductions</u>	Account 426.5	44
<u>Notes to Statement of Income</u>	Schedule XVIII	45

**Table of Contents**

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

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

**Table of Contents**ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
2004

## SCHEDULE I COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the  
current and prior year

ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER 31	
		CURRENT \$ 000	PRIOR \$ 000
	SERVICE COMPANY PROPERTY		
101	Service company property (Schedule II)	80,101	71,844
107	Construction work in progress (Schedule II)		
	Total Property	80,101	71,844
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	38,447	31,312
	Net Service Company Property	41,654	40,532
	INVESTMENTS		
123	Investments in associate companies (Schedule IV)		
124	Other investments (Schedule IV)		
	Total Investments		
	CURRENT AND ACCRUED ASSETS		
131	Cash	1,023	1,460
134	Special deposits	171	171
135	Working funds	972	755
136	Temporary cash investments (Schedule IV)		
141	Notes receivable		
143	Accounts receivable	3,626	5,372
144	Accumulated provision for uncollectible accounts Accounts receivable from associate companies		
146	(Schedule V)	34,296	43,024
152	Fuel stock expenses undistributed (Schedule VI)		
154	Materials and supplies		
163	Stores expense undistributed (Schedule VII)		
165	Prepayments	1,464	1,178
174	Miscellaneous current and accrued assets		1,387

(Schedule VIII)

	Total Current and Accrued Assets	41,552	53,347
	<b>DEFERRED DEBITS</b>		
181	Unamortized debt expense		
184	Clearing accounts	2,141	1,172
186	Miscellaneous deferred debits (Schedule IX)	54,693	45,126
188	Research, development, or demonstration expenditures (Schedule X)		
190	Accumulated deferred income taxes	32,615	30,458
	Total Deferred Debits	89,449	76,756
	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>172,655</b>	<b>170,635</b>

**Table of Contents**ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
2004

## SCHEDULE I COMPARATIVE BALANCE SHEET

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	AS OF DECEMBER 31	
		CURRENT \$ 000	PRIOR \$ 000
	<b>PROPRIETARY CAPITAL</b>		
201	Common stock issued (Schedule XI)	400	400
211	Miscellaneous paid-in-capital (Schedule XI)		
215	Appropriated retained earnings (Schedule XI)		
216	Unappropriated retained earnings (Schedule XI)		
219	Other Comprehensive Income	(11,710)	(10,319)
	Total Proprietary Capital	(11,310)	(9,919)
	<b>LONG-TERM DEBT</b>		
223	Advances from associate companies (Schedule XII)	21,684	23,930
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	21,684	23,930
	<b>CURRENT AND ACCRUED LIABILITIES</b>		
231	Notes payable		
232	Accounts payable	7,001	8,560
233	Notes payable to associate companies (Schedule XIII)	2,246	
234	Accounts payable to associate companies (Schedule XIII)	52,789	47,664
236	Taxes accrued	(6,329)	(949)
237	Interest accrued	945	945
238	Dividends declared		
241	Tax collections payable	410	577
242	Miscellaneous current and accrued liabilities (Schedule XIII)	57,867	60,866
	Total Current and Accrued Liabilities	114,929	117,663
	<b>DEFERRED CREDITS</b>		
253	Other deferred credits	42,053	34,893



255	Accumulated deferred investment tax credits		
	Total Deferred Credits	42,053	34,893
282	ACCUMULATED DEFERRED INCOME TAXES	5,299	4,068
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL	172,655	170,635

Table of Contents

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## SCHEDULE II SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR \$000	ADDITIONS \$000	RETIREMENTS OR SALES \$000	OTHER CHANGES \$ 000	BALANCE AT CLOSE OF YEAR \$000
SERVICE COMPANY PROPERTY					
Account:					
301 ORGANIZATION					
MISCELLANEOUS INTANGIBLE					
303 PLANT					
304 LAND AND LAND RIGHTS	62				62
STRUCTURES AND					
305 IMPROVEMENTS	23,921				23,921
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT (1)	31,443	8,376		(180)	39,639
OFFICE FURNITURE AND					
308 EQUIPMENT	2,665	90			2,755
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	403		29		374
AIRCRAFT AND AIRPORT					
310 EQUIPMENT	13,207				13,207
OTHER SERVICE COMPANY					
311 PROPERTY (3)	143				143
SUB-TOTAL	71,844	8,466	29	(180)	80,101

CONSTRUCTION WORK IN  
107 PROGRESS (4)

TOTAL	71,844	8,466	29	(180)	80,101
-------	--------	-------	----	-------	--------

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

307 Costs incurred in the development of Information Technology infrastructure.

Page 7

---

**Table of Contents**

## 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	BALANCE AT CLOSE OF YEAR \$000
307-1	Telecommunications Equipment		90
307-2	Communications Management Center		724
307-3	Data Processing Equipment		872
307-4	Print Services Equipment		
307-5	Research & Laboratory Equipment		
307-6	Telecommunications Equipment	452	7,371
307-7	EDP Equipment 4 years	6,941	21,093
307-8	EDP Equipment 10 years		5
307-9	Personal Computer and Peripheral Equipment	983	7,696
307-10	Distribution Research Equipment		
307-11	Electrical Supply Generators		1,788
307-14	CGT EQUIPMENT		
307-37	CPA EQUIPMENT		
307-51	TCO Equipment		
307-90	NiSource Equipment		
	TOTAL	8,376	39,639

(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

**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND  
AMORTIZATION OF SERVICE COMPANY PROPERTY

ACCOUNT	DESCRIPTION	BALANCE	ADDITIONS	OTHER	BALANCE
		AT	CHARGED		CHANGES
		BEGINNING	TO	ADD	CLOSE
		OF YEAR	403	(DEDUCT)	OF YEAR
		\$000	\$000	\$000	\$000
301	ORGANIZATION				
303	MISCELLANEOUS INTANGIBLE PLANT				
304	LAND AND LAND RIGHTS				
305	STRUCTURES AND IMPROVEMENTS	8,000	478		8,478
306	LEASEHOLD IMPROVEMENTS				
307	EQUIPMENT (1)	19,689	6,007		25,696
308	OFFICE FURNITURE AND FIXTURES (1)	1,695	150		1,845
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	376	23	29	370
310	AIRCRAFT AND AIRPORT EQUIPMENT	1,409	506		1,915
311	OTHER SERVICE COMPANY PROPERTY	143			143

TOTAL	31,312	7,164	29	38,447
-------	--------	-------	----	--------

(1) PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:  
Please refer to page 7

Page 9

---

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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	BALANCE AT CLOSE OF YEAR
Account 123 - Investment in Associate Companies	NONE	NONE
Account 124 - Other Investments	NONE	NONE
Account 136 - Temporary Cash Investments System Money Pool Unaffiliated	NONE	NONE
TOTAL	NONE	NONE



**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

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

DESCRIPTION	BALANCE AT BEGINNING OF YEAR \$ 000	BALANCE AT CLOSE OF YEAR \$000
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES		
Bay State Massachusetts	3,566	2,936
Columbia Atlantic Trading Corporation	2	
Columbia Deepwater Services	3	2
Columbia Energy Group	2,143	913
Columbia Energy Services Corporation	64	36
Columbia Finance Corporation	5	
Columbia Gas of Kentucky, Inc.	965	911
Columbia Gas of Maryland, Inc.	285	275
Columbia Gas of Ohio, Inc.	7,680	5,848
Columbia Gas of Pennsylvania, Inc.	3,227	2,673
Columbia Gas of Virginia, Inc.	1,968	1,352
Columbia Gas Transmission Corporation	6,467	5,391
Columbia Gulf Transmission Company	1,015	1,359
Columbia Network Services Corporation	20	58
Columbia Remainder Corporation	74	36
Energy USA, Inc.	444	422
Granite State Gas	36	41
Kokomo Gas and Fuel Company	142	83
NiSource Capital Markets	3	3
NiSource Crossroads Pipeline	42	177
NiSource Development Company, Inc.	(281)	440
NiSource Energy Services, Inc.	116	41
NiSource Energy Technology	52	57
NiSource Finance Company	70	126
NiSource Insurance Corporation, Ltd.	6	1,279
NiSource Retail Services		136
NiSource, Inc.	3,860	1,307
Northern Indiana Fuel and Light Company	395	66
Northern Indiana Public Service Company	9,657	7,563
Northern Utilities Maine	293	285

Northern Utilities New Hampshire Primary Energy, Inc.	354 351	328 152
TOTAL	43,024	34,296

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

	TOTAL PAYMENTS \$000
See Schedule V-A, page 12	
TOTAL PAYMENT	513,913

**Table of Contents**

## SCHEDULE V-A

## NISOURCE CORPORATE SERVICES COMPANY, INC.

Convenience & Accommodation Payments  
For the Year Ended December 31, 2004

Associate Company	AUDIT	CORPORATE	EMPLOYEE		POSTAGE	TELE-		TOTAL
	FEEES	INSURANCE	BENEFITS	LEASING	MAILING	COMMUNICATIONS	OTHER	
	\$000	\$ 000	\$000	\$000	\$000	\$000	\$000	
Bay State								
Massachusetts	437	3,128	10,479	423	194	1,569	1,044	17,274
Columbia Atlantic								
Trading Corporation	1	1					7,384	7,386
Columbia Deepwater								
Services	1	1						2
Columbia Energy								
Group	69	1,573	2,961	(216)			113,904	118,291
Columbia Energy								
Services Corporation	14	(182)	40			7	153	32
Columbia Gas of								
Kentucky, Inc.	136	908	3,950	552	542	357	1,459	7,904
Columbia Gas of								
Maryland, Inc.	48	247	1,116	195	122	77	122	1,927
Columbia Gas of								
Ohio, Inc.	987	7,875	33,754	3,316	5,298	2,425	57,048	110,703
Columbia Gas of								
Pennsylvania, Inc.	395	3,875	13,743	1,470	1,562	1,283	3,533	25,861
Columbia Gas of								
Virginia, Inc.	276	1,264	5,184	979	813	636	1,638	10,790
Columbia Gas								
Transmission								
Corporation	812	5,869	37,385	3,418	20	4,245	3,277	55,026
Columbia Gulf								
Transmission								
Company	185	2,947	6,066	467	25	601	343	10,634
Columbia Network								
Services Corporation	1	3	65				31	100
Columbia Remainder								
Corporation		(97)	13					(84)
Energy USA, Inc.	159	142	669	5		27	273	1,275
Granite State Gas	7	74	106			1	18	206
Kokomo Gas and								
Fuel Company	11	158	850	1			323	1,343
NiSource Capital								
Markets	1	1					2,544	2,546

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

NiSource Crossroads Pipeline	6	30				7	158	201
NiSource Development Company, Inc.	29	73					660	762
NiSource Energy Services, Inc.	43	51					3,125	3,219
NiSource Energy Technology	6	20	169	2		12	23	232
NiSource Finance Company	55	5					345	405
NiSource Insurance Corporation, Ltd.	1	1,281					10	1,292
NiSource Retail Services		21	16	3	4	1	111	156
NiSource, Inc.	469	553					2,577	3,599
Northern Indiana Fuel and Light Company	18	188	1,233				208	1,647
Northern Indiana Public Service Company	1,041	18,649	60,389	2,076		2,767	41,826	126,748
Northern Utilities Maine	43	382	964	61	28	167	99	1,744
Northern Utilities New Hampshire	45	299	751	2	30	154	179	1,460
Primary Energy, Inc.	86	949	111			24	62	1,232
Grand Total	5,382	50,288	180,014	12,754	8,638	14,360	242,477	513,913

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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.

DESCRIPTION	LABOR \$000	EXPENSES \$000	TOTAL \$000
Account 152 - Fuel Stock Expenses Undistributed	NONE	NONE	NONE
<b>TOTAL</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

SUMMARY:

Not Applicable

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES

For the Year Ended December 31, 2004

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 \$000	EXPENSES \$000	TOTAL \$000
Account 163 - Stores Expenses Undistributed	NONE	NONE	NONE
TOTAL	NONE	NONE	NONE

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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 group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR \$000	BALANCE AT CLOSE OF YEAR \$000
Account 174 - Miscellaneous Current and Accrued Assets	1,387	
Non-Compete Deferred Debit		
TOTAL	1,387	

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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 \$000	BALANCE AT CLOSE OF YEAR \$000
ACCOUNT 186 - MISCELLANEOUS DEFERRED DEBITS		
Other Post Retirement Employee Benefits	13,054	18,356
Deferred Insurance Receivables	1,456	2,796
Intangible Asset Pension Restoration Plan	16,824	16,487
Miscellaneous Deferred Property	13,792	17,054
<b>TOTAL</b>	<b>45,126</b>	<b>54,693</b>



**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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
ACCOUNT 188 - Research, Development or Demonstration Expenditures	NONE
TOTAL	NONE

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

SCHEDULE XI PROPRIETARY CAPITAL

ACCOUNT NUMBER	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING CLOSE OF PERIOD	
				NO. OF SHARES	TOTAL AMOUNT
201	COMMON STOCK	4,000	\$ 100	4,000	\$ 400,000

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 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 \$000	NET INCOME OR (LOSS) \$000	DIVIDENDS PAID \$000	BALANCE AT CLOSE OF YEAR \$000
-------------	---	----------------------------------	----------------------------	---

ACCOUNT 216 - UNAPPROPRIATED  
RETAINED EARNINGS

Rate/Share	Amount	Date Declared	Date Paid
	of		
	Dividend		

\$ \$ 000

TOTAL

Page 18

---

Table of Contents

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## 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	DATE OF	INTEREST RATE	AMOUNT AUTHORIZED	BALANCE		DEDUC- TIONS (1)	BALANCE AT CLOSE OF YEAR
					AT BEGINNING OF YEAR	ADDI- TIONS		
	OF OBLIGATION	MATURITY	%	\$000	\$000	\$000	\$000	\$000
ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES:								
Columbia Energy Group	Promissory Note	11/28/07	7.55	2,246	2,246			2,246
Columbia Energy Group	Promissory Note	11/28/10	7.82	2,246	2,246			2,246
Columbia Energy Group	Promissory Note	03/01/14	7.33	12,700	12,700			12,700
Columbia Energy Group	Promissory Note	11/28/15	7.92	2,246	2,246			2,246
Columbia Energy Group	Promissory Note	11/28/25	8.12	2,246	2,246			2,246
ACCOUNT 224 - OTHER LONG-TERM DEBT:								
TOTAL				21,684	21,684			21,684

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

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 AT BEGINNING OF YEAR \$000	BALANCE AT CLOSE OF YEAR \$ 000
ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES		
Columbia Energy Group		2,246
TOTAL		2,246
ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES		
Bay State Massachusetts	202	
Columbia Energy Group	4,476	4,476
Columbia Gas of Kentucky, Inc.	13	
Columbia Gas of Maryland, Inc.	14	
Columbia Gas of Ohio, Inc.	887	692
Columbia Gas of Pennsylvania, Inc.	105	
Columbia Gas of Virginia, Inc.	207	6
Columbia Gas Transmission Corporation	98	147
Columbia Gulf Transmission Company	7	49
Energy USA, Inc.	229	
NiSource Development Company, Inc.	208	208
NiSource Energy Services, Inc.		158
NiSource Energy Technology	186	
NiSource, Inc.	4,543	(625)
Northern Indiana Public Service Company	712	
Northern Utilities Maine	15	
Primary Energy, Inc.	449	
System Money Pool Interest	67	92
System Money Pool Principal	35,246	47,586
TOTAL	47,664	52,789

ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED  
LIABILITIES

Accrued Vacation	8,670	10,908
Change in Control	600	
Comprehensive Medical Expense Plan Accrual	803	703
Contingent Stock Dividend	470	
Deferred Compensation	5,153	
Dental Assistance Plan Accrual	20	174
Employee Thrift Plan	1,337	
Flexible Spending	2,651	4,167
Incentive/Bonus Accrual	7,787	9,209
LTIP Dividend Credit	195	
Pension Restoration Plan	7,677	12,174
Pension Retirement Benefits	2,250	2,180
Phantom Stock Liability	7,856	
Post Employment Benefit Obligation	52	194
Prescription Drug Liability		85
Retirement Income Plan	10,410	14,364
Severance	1,032	
Thrift Plan Company	60	60
Thrift Restoration Plan	2,243	1,811
Unclaimed Funds	94	85
Workers Compensation		73
Miscellaneous	1,506	1,680
TOTAL	60,866	57,867

**Table of Contents**

SCHEDULE XIII-A

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

NOTES PAYABLE TO ASSOCIATE COMPANIES

Account 233

	Balance at Beginning of Year \$000	Balance at Close of Year \$000
Columbia Energy Group		
7.30%    Installment Promissory Note		2,246
7.55%    Installment Promissory Note		
7.82%    Installment Promissory Note		
7.33%    Installment Promissory Note		
7.92%    Installment Promissory Note		
8.12%    Installment Promissory Note		
 Total		 2,246

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

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

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 \$4,840,000 in 2004 and \$7,992,000 in 2003.

d. Leases

Payments made by the Corporation in connection with operating leases are charged to expense incurred. No capitalized leases existed in 2004.

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	(342)

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

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 total \$42,219,054 as of December 31, 2004, 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.

Table of Contents

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,  
For the Year ended December 31, 2004

SCHEDULE XV

COMPARATIVE INCOME STATEMENT

ACCOUNT	DESCRIPTION	2004 CURRENT YEAR \$ 000	2003 PRIOR YEAR \$ 000
INCOME			
457	Services Rendered to Associate Companies	279,799	277,807
458	Services Rendered to Nonassociate Companies		
417	Interest Revenue		
419	Interest Revenue Other	7	14
421	Miscellaneous Income or Loss		(24)
	Total Income	279,806	277,797
EXPENSE			
920	Salaries and Wages	123,923	118,019
921	Office Supplies and Expenses	14,136	13,180
922	Administrative Expense Transferred Credit	(462)	
923	Outside Services Employed	50,536	52,443
924	Property Insurance	83	2
925	Injuries and Damages	2,059	1,472
926	Employee Pensions and Benefits	29,904	30,189
928	Regulatory Commission Expense		568
930.1	General Advertising Expenses	276	531
930.2	Miscellaneous General Expenses	3,051	3,948
931	Rents	22,740	21,162
932	Maintenance of Structures and Equipment	14,492	15,621
403	Depreciation and Amortization Expense	7,163	7,064
408	Taxes Other Than Income Taxes	9,214	9,111
409	Income Taxes	(563)	7,083
410	Provision for Deferred Income Taxes	1,086	1,543
411	Provision for Deferred Income Taxes Credit	(1,298)	(7,741)
426.1	Donations	68	370
426.5	Other Deductions	6	49
430	Interest on Debt to Associate Companies	2,813	2,737
431	Other Interest Expense	579	446

Total Expense	279,806	277,797
Net Income or (Loss)		

**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,

For the Year ended December 31, 2004

## ANALYSIS OF BILLING

ASSOCIATE COMPANIES  
ACCOUNT 457

NAME OF ASSOCIATE COMPANY	DIRECT	INDIRECT	COMPENSATION	TOTAL
	COSTS	COSTS	FOR USE	AMOUNT
	CHARGED	CHARGED	OF CAPITAL	BILLED
	457-1	457-2	457-3	
	\$000	\$000	\$000	\$000
Bay State Massachusetts	15,082	9,880	179	25,141
Columbia Atlantic Trading Corporation	5	2		7
Columbia Deepwater Services	12	10		22
Columbia Energy Group	5,378	436	8	5,822
Columbia Energy Services Corporation	304	119	2	425
Columbia Finance Corporation	16	19		35
Columbia Gas of Kentucky, Inc.	4,603	3,151	55	7,809
Columbia Gas of Maryland, Inc.	1,573	1,078	19	2,670
Columbia Gas of Ohio, Inc.	31,671	20,991	363	53,025
Columbia Gas of Pennsylvania, Inc.	13,434	8,469	152	22,055
Columbia Gas of Virginia, Inc.	7,433	5,073	90	12,596
Columbia Gas Transmission Corporation	30,352	17,114	320	47,786
Columbia Gulf Transmission Company	6,266	4,122	75	10,463
Columbia Network Services Corporation	57	32	1	90
Columbia Remainder Corporation	466	76	2	544
Energy USA, Inc.	2,003	1,270	23	3,296
Granite State Gas	219	197	3	419
Kokomo Gas and Fuel Company	362	179	3	544
Nisource Capital Markets	25	10		35
NiSource Crossroads Pipeline	198	158	3	359
Nisource Development Company, Inc.	1,677	343	6	2,026
Nisource Energy Services, Inc.	424	186	3	613
Nisource Energy Technology	206	141	3	350
Nisource Finance Company	175	35	1	211
NiSource Insurance Corporation, Ltd.	37	24		61
NiSource Retail Services	762	368	6	1,136
NiSource, Inc.	15,304	2,728	50	18,082
Northern Indiana Fuel and Light Company	395	199	4	598
Northern Indiana Public Service Company	40,083	20,518	383	60,984
Northern Utilities Maine	1,315	913	16	2,244
Northern Utilities New Hampshire	1,674	1,073	19	2,766

Primary Energy, Inc.	1,499	573	11	2,083
Total Amount Billed in 2004	183,010	99,487	1,800	284,297
Reconciliation to Total Revenues:				
Difference between Amount of Unbilled Revenue December 2003 and December 2004	2,930	(7,428)		(4,498)
	185,940	92,059	1,800	279,799

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,

For the Year Ended December 31, 2004

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES  
ACCOUNT 458

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

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

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

## Schedule XVI

ANALYSIS OF CHARGES FOR SERVICE  
ASSOCIATE AND NONASSOCIATE COMPANIES

DESCRIPTION OF ITEMS	ASSOCIATE COMPANY CHARGES			NONASSOCIATE COMPANY CHARGES			TOTAL CHARGES FOR SERVICE		
	DIRECT	INDIRECT	TOTAL	DIRECT	INDIRECT	TOTAL	DIRECT	INDIRECT	TOTAL
	COST \$000	COST \$ 000	COST \$ 000	COST \$000	COST \$000	COST \$000	COST \$000	COST \$ 000	COST \$ 000
920 Salaries and Wages	90,082	33,841	123,923				90,082	33,841	123,923
921 Office Supplies and Expenses	11,292	2,844	14,136				11,292	2,844	14,136
922 Administrative Expenses Transferred Credit	251	(713)	(462)				251	(713)	(462)
923 Outside Services Employed	49,248	1,288	50,536				49,248	1,288	50,536
924 Property Insurance		83	83					83	83
925 Injuries and Damages	1,850	209	2,059				1,850	209	2,059
926 Employee Pensions and Benefits	949	28,955	29,904				949	28,955	29,904
928 Regulatory Commission Expense									
930.1 General Advertising Expenses	250	26	276				250	26	276
930.2 Miscellaneous General Expense	2,782	269	3,051				2,782	269	3,051
931 Rents	9,693	13,047	22,740				9,693	13,047	22,740
932 Maintenance of Structure and Equipment	12,709	1,783	14,492				12,709	1,783	14,492
403 Depreciation and Amortization Expense	6,663	500	7,163				6,663	500	7,163
408 Taxes Other Than Income Taxes	83	9,131	9,214				83	9,131	9,214
409 Income Taxes		(563)	(563)					(563)	(563)
410 Provision for Deferred Income Taxes		1,086	1,086					1,086	1,086
411 Provision for Deferred Income		(1,298)	(1,298)					(1,298)	(1,298)



Taxes Credit						
419 Other Interest		(7)	(7)		(7)	(7)
421 Gain/Loss on Sale of Property						
426.1 Donations	68		68	68		68
426.5 Other Deductions	2	4	6	2	4	6
427 Interest on Long-Term Debt						
431 Other Interest Expense	18	561	579	18	561	579

Instructions: Total cost of service will equal the amount billed to associate and nonassociate companies under their separate analysis of billing schedules.

Total Expenses	185,940	91,046	276,986	185,940	91,046	276,986
Interest on 430 Short-Term Debt			1,013			1,013
Compensation for Use of Capital- Associated Companies						
Intercompany Interest 430 on Indebtedness			1,800			1,800
Compensation for Use of Equity Capital						
Total Cost of Service			279,799			279,799

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

## Schedule XVII

## SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

DESCRIPTION OF ITEMS	TOTAL AMOUNT \$ 000	OVERHEAD \$ 000	DEPARTMENT OR SERVICE FUNCTION								
			Accounting \$ 000	Auditing \$ 000	Chairman and CEO \$ 000	Company General \$ 000	Company President \$ 000	Company Communications \$ 000	Corporate Insurance \$ 000	Corporate Secretary \$ 000	
920 Salaries and Wages	123,923	33,841	6,551	1,452	1,089	562	514	1,356	443	288	
921 Office Supplies and Expenses	14,136	2,844	143	150	54	58	52	243	6	67	
922 Administrative Expenses Transferred Credit	(462)	(713)									
923 Outside Services Employed	50,536	1,288	518	53	1,293	28	208	813		1,711	
924 Property Insurance	83	83									
925 Injuries and Damages	2,059	209							1,850		
926 Employee Pensions and Benefits	29,904	28,955	6		7	12					
928 Regulatory Commission Expense											
930.1 General Advertising Expense	276	26	3					3			
930.2 Miscellaneous General Expense	3,051	269	105	73	79	12	557	128		149	
931 Rents	22,740	13,047	17		17	3	7	31			
932 Maintenance of Structures and Equipment	14,492	1,783			7	1	5			1	
403	7,163	500									

408	Depreciation and Amortization Expense Taxes Other Than Income Taxes	9,214	9,131								
409	Income Taxes	(563)	(563)								
410	Provision for Deferred Income Taxes	1,086	1,086								
411	Administrative Expenses Transferred Credit	(1,298)	(1,298)								
411.5	Investment Tax Credit										
419	Other Interest	(7)	(7)								
421	Miscellaneous Income or Loss										
426.1	Donations	68				9				58	
426.5	Other Deductions	6	4								
427	Interest on Long-Term Debt										
430	Interest on Debt to Associate Companies	2,813	2,813								
431	Other Interest Expense	579	561								
Instruction: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System Account)											
	Total Expenses	279,799	93,859	7,343	1,728	2,555	676	1,343	2,632	2,299	2,216

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

Schedule XVII  
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

Account Number	DEPARTMENT OR SERVICE FUNCTION									
	Corporate Treasury	Customer Contact Centers	Energy Supply Services	Environmental Affairs	Executive VP and CFO	Executive VP and COO	Facilities Management	Financial Planning	Fleet Management	Governmental Affairs
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
920	825	1,573	1,906	4,914	392	748	783	4,000	1,002	243
921	317	58	306	672	26	50	802	241	81	56
922							713			
923	1,654	4	107	420	315	4,093	56	446	16	265
924										
925										
926			5	53		3	164	63		
928										
930.1			113	1						
930.2	135	31	34	216	6	11	4	15	2	17
931	485	6	14	130	21	14	3	50	5	99
932	123	77		79	2	2	3,289			
403	506						240			
408	2									
409										
410										
411										
411.5										
419										
421										
426.1										
426.5										
427										
430										
431										
<b>Total Expenses</b>	<b>4,047</b>	<b>1,749</b>	<b>2,485</b>	<b>6,485</b>	<b>762</b>	<b>4,921</b>	<b>6,054</b>	<b>4,815</b>	<b>1,106</b>	<b>680</b>

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

Schedule XVII  
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

Account Number	Human Resources	Information Technology	Investor Relations	Large Customer Relationships and Transportation	Legal	Materials & Supplies	Meter-to-Cash	New Business Processes	NiSource Retail Operations	Integration
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
920	5,055	27,720	301	4,699	3,893	2,041	1,362		945	267
921	494	2,784	79	225	1,429	101	1,759	3	91	68
922										
923	1,750	7,043	102	362	23,849	79	426	1	1,137	362
924										
925										
926	175			18	153				208	
928										
930.1	41	6			24				59	
930.2	321	1,119	6	13	87	5	14		8	3
931	33	8,579		29	34	8	8		2	4
932	1	8,953		31		3	26		5	
403		5,917								
408		81								
409										
410										
411										
411.5										
419										
421										
426.1	1									
426.5										
427										
430										
431										
<b>Total Expenses</b>	<b>7,871</b>	<b>62,202</b>	<b>488</b>	<b>5,377</b>	<b>29,469</b>	<b>2,237</b>	<b>3,595</b>	<b>4</b>	<b>2,455</b>	<b>704</b>

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2004

Schedule XVII  
SCHEDULE OF EXPENSE BY DEPARTMENT OR SERVICE FUNCTION

Account Number	DEPARTMENT OR SERVICE FUNCTION								
	President NiSource \$000	Regulatory & Government \$000	Security \$000	Supply Chain \$000	Support Operations \$000	Tax \$000	Technical Operations \$000	TPC/NET \$000	Other \$000
920	505	2,113	325	1,254	1,096	1,556	1,889	305	6,115
921	80	114	30	73	145	110	322	3	
922									(462)
923	60	863		208	14	650	342		
924									
925									
926	5	73					4		
928									
930.1									
930.2	12	68	2	87	14	10	39		(600)
931	5	27		2	19	5	36		
932			2		4	91	7		
403									
408									
409									
410									
411									
411.5									
419									
421									
426.1									
426.5				2					
427									
430									
431									18
Total Expenses	667	3,258	359	1,626	1,292	2,422	2,639	308	5,071

**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## DEPARTMENTAL ANALYSIS OF SALARIES

## ACCOUNT 920

NAME OF DEPARTMENT Indicate each department or service function	DEPARTMENTAL SALARY EXPENSE <u>INCLUDED IN AMOUNTS BILLED TO</u>				NUMBER PERSONNEL END OF YEAR
	TOTAL AMOUNT \$000	PARENT COMPANY \$000	OTHER ASSOCIATES \$000	NON ASSOCIATES \$000	
Accounting	6,551	164	6,387		153
Auditing	1,452	134	1,318		24
Chairman and CEO	1,089	403	686		4
Company General Managers	562		562		4
Company Presidents	514		514		2
Corporate Communications	1,356	33	1,323		20
Corporate Insurance	443		443		9
Corporate Secretary	288	177	111		5
Corporate Treasury	825	89	736		13
Customer Contact Centers	1,573	6	1,567		37
Energy Supply Services	1,906		1,906		34
Environmental Affairs	4,914	133	4,781		79
Executive VP and CFO	392	97	295		2
Executive VP and COO	748	118	630		5
Facilities Management	783	23	760		19
Financial Planning	4,000	73	3,927		60

Fleet Management	1,002		1,002	8
Governmental Affairs	243	28	215	3
Human Resources/Benefits	5,055	30	5,025	79
Information Technology	27,720	372	27,348	540
Investor Relations	301	35	266	3
Large Customer Relationships and Transportation	4,699	3	4,696	75

Continued on page 33



**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## DEPARTMENTAL ANALYSIS OF SALARIES

## ACCOUNT 920

NAME OF DEPARTMENT Indicate each department or service function	DEPARTMENTAL SALARY EXPENSE <u>INCLUDED IN AMOUNTS BILLED TO</u>				NUMBER PERSONNEL END OF YEAR
	TOTAL AMOUNT \$000	PARENT COMPANY \$000	OTHER ASSOCIATES \$000	NON ASSOCIATES \$000	
Legal	3,893		3,893		49
Materials & Supplies	2,041	2	2,039		34
Meter-to-Cash	1,362		1,362		29
New Business Processes		7	(7)		2
NiSource Retail Services	945	(33)	978		25
Operations Integration	267	118	149		3
President NiSource	505	41	464		3
Regulatory & Government	2,113	1	2,112		35
Security	325	38	287		4
Supply Chain	1,254	32	1,222		15
Support Operations	1,096		1,096		14
Tax	1,556	96	1,460		25
Technical Operations	1,889		1,889		26
TPC/NET	305		305		3
Other	6,115	4,438	1,677		0
Total	90,082	6,658	83,424		1,445



**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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			50,536

**Table of Contents**

SCHEDULE 923-A  
ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
OUTSIDE SERVICES EMPLOYED  
ACCOUNT 923

WHOM PURCHASED	ADDRESS	RELATIONSHIP "A"=ASSOCIATE "NA"=NON ASSOCIATE
<u>Services - Audit</u>		
Total Special Services - Audit		
<u>Services - Legal</u>		
DANIELS	P.O. BOX 664091, INDIANAPOLIS IN 46266-4091	NA
THORNBURG	11 S MERIDIAN ST, INDIANAPOLIS IN 46204-3556	NA
ECKLER LLP	100 S THIRD ST, COLUMBUS OH 43215-4236	NA
SEARS & SORETT, P.A.	75 FEDERAL ST, BOSTON MA 02110-2699	NA
EENE & PARENTE	90 STATE ST, ALBANY NY 12207	NA
SAUNDERS, DANIELS &	320 S BOSTON AVE STE 500, TULSA OK 74103-3725	NA
& EICHHORN	200 RUSSELL ST, HAMMOND IN 46325	NA
& HART LLP	SPECIAL MASTER FUND GRYNBERG, CHEYENNE WY 82003-1347	NA
Y, REAVIS & POGUE	P.O. BOX 165017, COLUMBUS OH 43216-5017	NA
LAMB, GREENE & MACRAE	99 WASHINGTON AVENUE, ALBANY NY 12210-2820	NA
YAN	707 EAST MAIN STREET, RICHMOND VA 23219	NA
WOODS	ONE JAMES CENTER-ACCOUNTING, RICHMOND VA 23219-4030	NA
LEWIS AND BOCKIUS	P.O. BOX 8500 S-6050, PHILADELPHIA PA 19178-6050	NA
TINGS, JANOFSKY &	1299 PENNSYLVANIA AVE NW, WASHINGTON DC 20004	NA
RIGHT, MORRIS & WRIGHT	41 SOUTH HIGH STREET, COLUMBUS OH 43215-6194	NA
H LLP	P.O. BOX 360074M, PITTSBURGH PA 15251-6074	NA
KERN ESQ	1200 CRA-MER LN, CHAPEL HILL NC 27516-8382	NA
USCHLER ESQ	3886 UNIVERSITY DRIVE, FAIRFAX VA 22030	NA
& MCELWEE LLP	P.O. BOX 1791, CHARLESTON WV 25326	NA
RDIN LLP	6600 SEARS TOWER, CHICAGO IL 60606-6473	NA
STIN BROWN & WOOD LLP	P.O. BOX 0642, CHICAGO IL 60690	NA
AGINE SMITH	REDFEARN LLP, NEW ORLEANS LA 701633000	NA
JOHNSON	CLARKSBURG WV 26302-1732	NA
EID & PRIEST LLP	875 THIRD AVENUE, NEW YORK NY 10022	NA
CK SCHORR AND SOLIS CO.	1650 ARCH STREET, PHILADELPHIA PA 19103-2097	NA
AND MCLAUGHLIN LLP	ONE INDIANA SQ, INDIANAPOLIS IN 46204-4208	NA

Total Special Services Legal

Page 35

---

**Table of Contents**

SCHEDULE 923-A  
 ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
 OUTSIDE SERVICES EMPLOYED  
 ACCOUNT 923

FOR WHOM PURCHASED	ADDRESS	RELATIONSHIP "A"=ASSOCIATE "NA"=NON ASSOCIATE	\$
<u>Special Services Consulting</u>			
...E LLP	P.O. BOX 70629, CHICAGO IL 60673-0629	NA	2
...LLC	P.O. BOX 632997, CINCINNATI OH 45263-2997	NA	
...EMPLOYMENT	P.O. BOX 371084, PITTSBURGH PA 15250-7084	NA	
...DATA SERVICES GROUP	P.O. BOX 198531, ATLANTA GA 30384-8531	NA	
...CORPORATION	P.O. BOX 99974, CHICAGO IL 60696-7774	NA	
...CORPORATION	P.O. BOX 532428, ATLANTA GA 30353-2428	NA	
...INC	P.O. BOX 533028, ATLANTA GA 30353-2028	NA	
...& TOUCHE LLP	BANK OF AMERICA, CHICAGO IL 60693-0042	NA	
...RESOURCES LLC	39 WINDEMERE DRIVE, GROSSE POINTE FARMS MI 48236	NA	
...A, INC	2614 ARTIE ST STE 37-462, HUNTSVILLE AL 35805	NA	
	140 CONCORD CIR, VALPARAISO IN 46385-8070	NA	1
	191 W NATIONWIDE BLVD STE 650, COLUMBUS OH 43215	NA	
...CORPORATION	P.O. BOX 643600, PITTSBURGH PA 15264-3600	NA	
...ION CONTROL CORPORATION	2500 CORPORATE EXCHANGE DR, COLUMBUS OH 43231	NA	
...ION INTEGRATORS, INC	2540 FOSSIL STONE RD, DYER IN 46311-1956	NA	
...ULTING, INC	HAWTHORN WOODS IL 60047	NA	
...ULTING, INC	P.O. BOX 350020, BOSTON MA 02241-0520	NA	
...P. FOLEY, JR.	219 CYPRESS DR, SCHERERVILLE IN 46375	NA	
...ENERGY GROUP, INC	2905 SACKETT SUITE 200, HOUSTON TX 77098	NA	
...FORMATION SERVICES, INC	7500 WEST 125 NORTH, LAPORTE IN 46350	NA	
...MULCHAY	801 E86TH AVE, MERRILLVILLE IN 46410	NA	
...FT, USA, INC	DEPT CH 10699, PALATINE IL 60055-0699	NA	
...REYNOLDS ASSOCIATES	CHURCH STREET STATION, NEW YORK NY 102496427	NA	
...TECHNOLOGIES	P.O. BOX 30727, HARTFORD CT 06150-0727	NA	
...TEINER	361 SOUTH COLLEGE AVENUE, VALPARAISO IN 46383	NA	
...NICAL SERVICES, INC	235 SAWYER AVE., GLEN ELLYN IL 60137	NA	
...GY CONSULTING ASSOC.	5887 GLENRIDGE DRIVE, ATLANTA GA 30328	NA	
...H, INC	P.O. BOX 95169, PALATINE IL 60095-0169	NA	
...OC ASSOCIATES	101 CONSTITUTION AVENUE NW, WASHINGTON DC 20001-2133	NA	
...N & ASSOCIATES	3339 TAYLORSVILLE ROAD, LOUISVILLE KY 40205-3103	NA	

Total Special Services Consulting



**Table of Contents**

SCHEDULE 923-A  
ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
OUTSIDE SERVICES EMPLOYED  
ACCOUNT 923

FOR WHOM PURCHASED	ADDRESS	RELATIONSHIP "A"=ASSOCIATE "NA"=NON ASSOCIATE	\$0
<u>Services</u> Other			
EMPLOYMENT	P.O. BOX 371084, PITTSBURGH PA 15250-7084	NA	1,4
Y SERVICES	P.O. BOX 23487, NEWARK NJ 07189	NA	1
	7872 COLLECTION CENTER DR, CHICAGO IL 60693	NA	2
MPANY LP	ACCOUNTING DEPT, BUFFALO NY 14240-3171	NA	1
TY RESOURCE SERVICE	33501 L LAKE RD, AVON LAKE OH 44012	NA	1
UISSE FIRST BOSTON	ATTN: ACCTS REC IBD, NEW YORK NY 10010	NA	1
C	GPO P.O. BOX 26858, NEW YORK NY 10087-6858	NA	1
GROUP, INC	P.O. BOX 911319, DALLAS TX 75391-1319	NA	1
ORATION	5591 CHAMBLEE DUNWOODY RD, ATLANTA GA 30338	NA	1
TROST, CONSULTING	35 STATEN DR, HOCKESSIN DE 19707	NA	1
CONSIDINE, P C	1BOSTON PL 28TH FL, BOSTON MA 02108	NA	1
ORLDWIDE INC	P.O. BOX 101960, ATLANTA GA 30392-1960	NA	2
SAK & ASSOCIATES INC	2448 SOUTHWAY DRIVE, UPPER ARLINGTON OH 43221	NA	1
NG SERVICES BY VECTRA	3990 BUSINESS PARK DRIVE, COLUMBUS OH 43204	NA	2
NVESTOR SERVICES, LLC	P.O. BOX 3317, SOUTH HACKENSACK NJ 07608	NA	8
INVESTORS SERVICE	P.O. BOX 102597, ATLANTA GA 30368-0597	NA	1
G & COMPANY INC	P.O. BOX 210, SOUTH BEND IN 46624-0210	NA	1
K STOCK EXCHANGE, INC	P.O. BOX 4695, NEW YORK NY 10163	NA	3
N INDIANA PUBLIC SERVICE CO.	5201 INDUSTRIAL HIGHWAY, GARY IN 46406-1125	A	7
COMPUTER RESOURCES	4013 WASHINGTON STREET WEST, CHARLESTON WV 25313	NA	2
RVICES CORPORATION	P.O. BOX 18878, NEWARK NJ 07191-8878	NA	1
ALF TECHNOLOGY	12400 COLLECTION CENTER DR, CHICAGO IL 60693-0124	NA	1
AVAILABILITY SERVICES	P.O. BOX 91233, CHICAGO IL 60693	NA	1

ORGANIZATIONS 4,9

Total Special Services Other

Total All Special Services



**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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	1,270
Educational Assistance	216
Employee Assistance Plan	118
Employee Cafeteria Subsidy	328
Employee Relocation Expense	1,580
Employee Retirement Expense	4,840
Group Life Insurance	375
Long-Term Disability Insurance	595
Medical Expense Plan	11,086
Other Post Employment Benefits	1,211
Pension Restoration Plan	4,628
Thrift Plan	3,666
Miscellaneous	(9)
Total	29,904



**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## 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	Kinkos, Inc.	4
Employee Recruiting/Advertising	Nationwide Advertising Service	7
Employee Recruiting/Advertising	Service Web Offset Corporation	54
Employee Recruiting/Advertising	Shaw Print and Promotion	108
Employee Recruiting/Advertising	The Austin Group Energy LP	16
Employee Recruiting/Advertising	The David Group	34
Employee Recruiting/Advertising	Think, Inc.	17
Employee Recruiting/Advertising	TMP Worldwide	28
Employee Recruiting/Advertising	All Others	8
TOTAL		276

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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	21
Dues and Memberships Corporate	1,024
Employee Recruiting	220
Employee Training	1,519
Other	267
<b>TOTAL</b>	<b>3,051</b>

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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	432
Auto and General Tools	495
Communications	939
Data Processing	4,578
Office Space	12,770
Miscellaneous	3,526
TOTAL	22,740

**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## 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.

	AMOUNT
	\$000
(1) Other than U.S. Government Taxes:	
Property	780
Unemployment	375
License or Franchise	6
Total other	1,161
(2) U.S. Government Taxes:	
Federal Insurance Contribution	7,956
Unemployment	89
Miscellaneous	8
Total Federal	8,053
TOTAL	9,214

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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
Indiana Society of Washington	Community Welfare	8
Fitz Gerald & Robbins Inc.	Community Welfare	7
First Night Columbus	Community Welfare	6
Miscellaneous (78)		47
TOTAL		68

**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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		6
TOTAL		6



**Table of Contents**

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

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 \$5.9 million higher in 2004 when compared to 2003. \$3.2 million of this increase was due to bonuses increasing from \$7.7 to \$10.9 million in 2003 and 2004 respectively. \$2.8 million of the increase was due to higher wages in 2004. Salary and wage expense also increased due to severance related costs increasing approximately \$3.9 million in 2004 when compared to 2003. The increase in severance related costs is primarily due the reversal of accrued severance in 2003. The above increases in salary and wage expense were offset by a decrease in stock based compensation of approximately \$5.5 million.

Income Taxes and Provision for Deferred Income Taxes decreased approximately \$1.7 million from 2003 to 2004. This decrease is primarily due to adjustments made under FAS 109 for Deferred Income Taxes and a reduction in non-deductible expenses.

Outside Services decreased approximately \$1.9 million from 2003 to 2004. This decrease is primarily due to lower legal expenses of \$3.5 million in 2004 when compared to 2003 offset by an increase in consulting expenses of \$1.7 million.

**Table of Contents**

**Table of Contents**

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

**Table of Contents**

## ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2004

## ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

COMPENSATION FOR USE OF CAPITAL  
SUMMARY OF BILLING TO ASSOCIATE COMPANIES

Company	Direct & Allocated Labor \$ 000	Compensation Billed \$ 000
Bay State Massachusetts	7,910	179
Columbia Atlantic Trading Corporation	2	
Columbia Deepwater Services	8	
Columbia Energy Group	352	8
Columbia Energy Services Corporation	99	2
Columbia Finance Corporation	13	
Columbia Gas of Kentucky, Inc.	2,446	55
Columbia Gas of Maryland, Inc.	837	19
Columbia Gas of Ohio, Inc.	16,056	363
Columbia Gas of Pennsylvania, Inc.	6,719	152
Columbia Gas of Virginia, Inc.	3,985	90
Columbia Gas Transmission Corporation	14,157	320
Columbia Gulf Transmission Company	3,307	75
Columbia Network Services Corporation	25	1
Columbia Remainder Corporation	69	2
Energy USA, Inc.	1,026	23
Granite State Gas	151	3
Kokomo Gas and Fuel Company	151	3
NiSource Capital Markets	8	
NiSource Crossroads Pipeline	120	3
NiSource Development Company, Inc.	268	6
NiSource Energy Services, Inc.	146	3
NiSource Energy Technology	130	3
NiSource Finance Company	27	1
NiSource Insurance Corporation, Ltd.	19	
NiSource Retail Services	269	6
NiSource, Inc.	2,216	50
Northern Indiana Fuel and Light Company	166	4
Northern Indiana Public Service Company	16,961	383
Northern Utilities Maine	715	16
Northern Utilities New Hampshire	851	19
Primary Energy, Inc.	486	11

Total	79,695	1,800
-------	--------	-------

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-two individual statements (see page 49).

Table of Contents

## NISOURCE CORPORATE SERVICES COMPANY, INC.

## COMPENSATION FOR USE OF CAPITAL

BILLED TO

COLUMBIA GAS TRANSMISSION CORPORATION

DURING 2004

BILLING MONTH	INTEREST	NET INCOME	TOTAL COMPENSATION	SYSTEM	MONTHLY	MANAGEMENT	BILLED COL. 5 x COL. 6
	TO PARENT (1)			DIRECT & ALLOCATED LABOR (4)	RATE COL. 3/ COL. 4 (5)	D&A LABOR BILLED TO TCO (6)	
JANUARY	150,028.07	0.00	150,028.07	6,348,180.17	0.02363	1,035,686.63	24,476.63
FEBRUARY	150,028.04	0.00	150,028.04	6,607,177.00	0.02271	1,165,272.84	26,459.65
MARCH	150,028.04	0.00	150,028.04	6,784,370.35	0.02211	1,217,745.98	26,928.96
APRIL	150,028.07	0.00	150,028.07	6,825,145.72	0.02198	1,247,771.41	27,428.09
MAY	150,028.07	0.00	150,028.07	7,034,963.84	0.02133	1,272,970.82	27,147.45
JUNE	150,028.04	0.00	150,028.04	6,587,785.22	0.02277	1,181,053.58	26,896.92
JULY	150,028.07	0.00	150,028.07	6,732,419.42	0.02228	1,169,153.45	26,053.91
AUGUST	150,028.04	0.00	150,028.04	6,378,733.55	0.02352	1,134,614.22	26,686.17
SEPTEMBER	150,028.04	0.00	150,028.04	6,641,756.71	0.02259	1,212,594.58	27,390.82
OCTOBER	150,028.07	0.00	150,028.07	6,783,894.35	0.02212	1,201,464.22	26,570.78
NOVEMBER	150,028.04	0.00	150,028.04	6,900,761.47	0.02174	1,235,108.32	26,852.24
DECEMBER	150,028.04	0.00	150,028.04	6,069,542.83	0.02472	1,083,336.77	26,778.11
	1,800,336.63	0.00	1,800,336.63	79,694,730.63	0.27150	14,156,772.82	319,669.74

**Table of Contents**

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/ Susanne M. Taylor

Susanne M. Taylor  
Controller

Date: April 30, 2005

Page 50