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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.

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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
-----	

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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

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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

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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

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(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	--



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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

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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:

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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	

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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.

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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

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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.

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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

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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		-	-

Page 18

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:					



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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.	

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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

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

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 1

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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

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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

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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

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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	

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	\$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

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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	--	--	--



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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

DESCRIPTION OF ITEMS	TOTAL AMOUNT	OVERHEAD	DEPARTMENT	
			Accounting	A
	\$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	--	

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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
----------------	---------	--------	-------

DESCRIPTION OF ITEMS	DEPARTMENT OR SERVICE FUNCTION		
	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	--	--	--

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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

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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
----------------	------------------	----------------------	--------------------------	------------------------	--------------------

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	\$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	--	--	--	--	--

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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

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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
-----	-----	-----	-----	-----

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	\$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	--



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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

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

OUTSIDE SERVICES EMPLOYED

ACCOUNT 923

FOR WHOM PURCHASED	ADDRESS
1-Special Services - Audit	
5 Organizations	Total Special Services - Audit
2-Special Services - Legal	
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.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
166 Organizations	Total Special Services - Legal

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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

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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

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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

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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

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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.

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	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



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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.

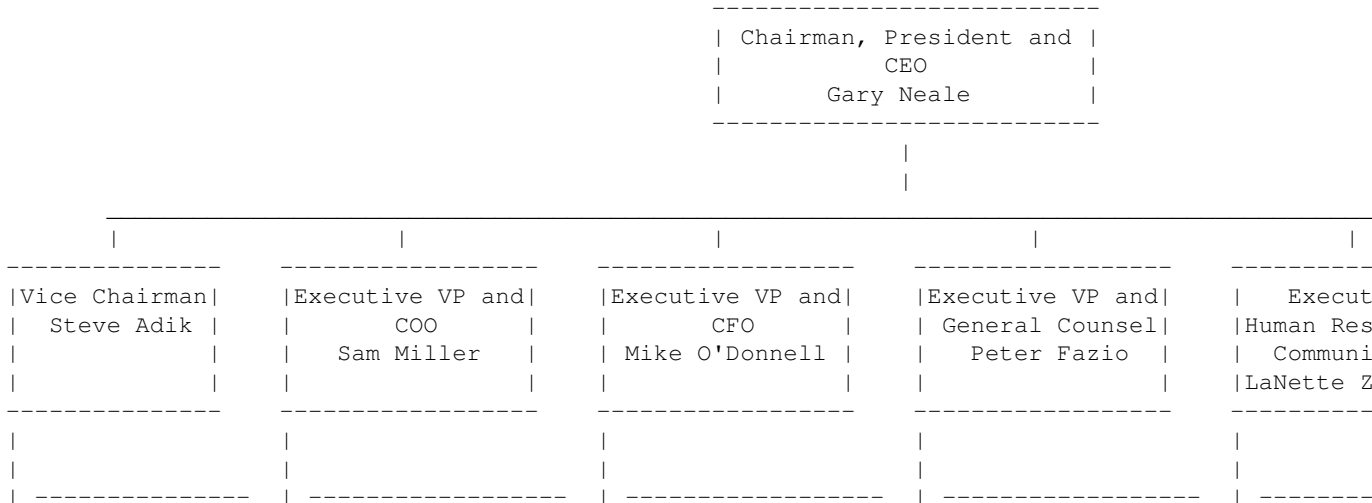
Outside Services decreased approximately \$20 million from 2002 to 2003. Outside services was lower \$14 million in 2003 when compared to 2002 due to a decrease in Consulting and Legal expenses of \$7 million and \$7 million respectively. Other outside services also decreased approximately \$6 million 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



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-  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

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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).

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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)

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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
	=====	=====	=====	=====	=====

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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

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Vincent DeVito  
Controller

Date: April 30, 2004

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Page 48