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NISOURCE INC/DE
Form U-13-60
April 30, 2003

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

ANNUAL REPORT

For the Period

Beginning January 1, 2002 and Ending December 31, 2002

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")

Data 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 Associated 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	44
Methods of Allocation	45
Annual Statement of Compensation for Use of Capital Billed	46-47
Officer Authorization	48

Page 4

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
2002

SCHEDULE I - COMPARATIVE BALANCE SHEET

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

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ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER
-----	-----	-----
		CURRENT

		\$000
	SERVICE COMPANY PROPERTY	
101	Service company property (Schedule II)	77,421
107	Construction work in progress (Schedule II)	--
	Total Property	----- 77,421
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	----- 34,091
	Net Service Company Property	----- 43,330
	INVESTMENTS	
123	Investments in associate companies (Schedule IV)	--
124	Other investments (Schedule IV)	--
	Total Investments	----- --
	CURRENT AND ACCRUED ASSETS	
131	Cash	424
134	Special deposits	171
135	Working funds	656
136	Temporary cash investments (Schedule IV)	--
141	Notes receivable	--
143	Accounts receivable	8,065
144	Accumulated provision for uncollectible accounts	--
146	Accounts receivable from associate companies (Schedule V)	----- 72,248
152	Fuel stock expenses undistributed (Schedule VI)	--
154	Materials and supplies	--
163	Stores expense undistributed (Schedule VII)	--
165	Prepayments	685
174	Miscellaneous current and accrued assets (Schedule VIII)	----- 1,317 ----- --
	Total Current and Accrued Assets	----- 83,566
	DEFERRED DEBITS	
181	Unamortized debt expense	--
184	Clearing accounts	9,207
186	Miscellaneous deferred debits (Schedule IX)	41,259
188	Research, development, or demonstration expenditures (Schedule X)	----- --
190	Accumulated deferred income taxes	27,667
	Total Deferred Debits	----- 78,133

TOTAL ASSETS AND OTHER DEBITS

205,029
=====

Page 5

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
2002

SCHEDULE I - COMPARATIVE BALANCE SHEET

ACCOUNT -----	LIABILITIES AND PROPRIETARY CAPITAL -----	CUR ----- \$
	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	(21
	Total Proprietary Capital	(20
	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	13
233	Notes payable to associate companies (Schedule XIII)	
234	Accounts payable to associate companies (Schedule XIII)	49
236	Taxes accrued	20
237	Interest accrued	
238	Dividends declared	
241	Tax collections payable	
242	Miscellaneous current and accrued liabilities (Schedule XIII)	57
	Total Current and Accrued Liabilities	142
	DEFERRED CREDITS	
253	Other deferred credits	55
255	Accumulated deferred investment tax credits	
	Total Deferred Credits	55
282	ACCUMULATED DEFERRED INCOME TAXES	3
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL	205

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

SCHEDULE II - SERVICE COMPANY PROPERTY

DESCRIPTION		BALANCE AT BEGINNING OF YEAR	ADDITIONS	RETIREMENTS OR SALES
-----		-----	-----	-----
		\$000	\$000	\$000
SERVICE COMPANY PROPERTY				
Account :				
301	ORGANIZATION	--	--	--
303	MISCELLANEOUS			
	INTANGIBLE PLANT	--	--	--
304	LAND AND LAND RIGHTS	62	--	--
305	STRUCTURES AND IMPROVEMENTS	23,404	288	--
306	LEASEHOLD IMPROVEMENTS	--	--	--
307	EQUIPMENT (1), (2)	43,121	12,157	22,722
308	OFFICE FURNITURE AND EQUIPMENT	7,318	16	--
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	472	--	45
310	AIRCRAFT AND AIRPORT EQUIPMENT	13,207	--	--
311	OTHER SERVICE COMPANY PROPERTY (3)	143	--	--
	SUB-TOTAL	87,727	12,461	22,767
		-----	-----	-----
107	CONSTRUCTION WORK IN PROGRESS (4)	--	--	--
		-----	-----	-----
	TOTAL	87,727	12,461	22,767

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

307 - The decrease in the information technology and telecommunications areas was due to consolidation and integration of business operations.

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	BALANCE AT CLOSE OF YEAR
-----		-----	-----
		\$000	\$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	733	6,791
307-7	EDP Equipment - 4 years	6,466	10,834
307-8	EDP Equipment - 10 years	--	5
307-9	Personal Computer and Peripheral Equipment	4,958	6,687
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	--	4,765
		-----	-----
TOTAL		12,157	32,556
		=====	=====

(3) DESCRIBE OTHER SERVICE COMPANY PROPERTY:

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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, 2002

SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF SERVICE COMPANY PROPERTY

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO ACCOUNT 403	RETIREMENTS
		\$000	\$000	\$000
301	ORGANIZATION	--	--	--
303	MISCELLANEOUS INTANGIBLE PLANT	--	--	--
304	LAND AND LAND RIGHTS	--	--	--
305	STRUCTURES AND IMPROVEMENTS	7,127	470	--
306	LEASEHOLD IMPROVEMENTS	--	--	--
307	EQUIPMENT (1)	20,564	6,518	22,722
308	OFFICE FURNITURE AND FIXTURES	2,875	460	--
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	119	78	45
310	AIRCRAFT AND AIRPORT EQUIPMENT	396	506	--
311	OTHER SERVICE COMPANY PROPERTY	142	--	--

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TOTAL	31,223 =====	8,032 =====	22,767 =====
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(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, 2002

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 -----
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, 2002

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

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DESCRIPTION	BALANCE AT BEGINNING OF YEAR
-----	-----
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES	\$ 000
Bay State Gas Company	2,014
Bay State Massachusetts	423
Columbia Atlantic Trading Corporation	--
Columbia Energy Group	5,437
Columbia Energy Group Capital Corporation	56
Columbia Energy Resources, Inc.	2,814
Columbia Energy Services Corporation	228
Columbia Finance Company	13
Columbia Gas of Kentucky, Inc.	6,879
Columbia Gas of Maryland, Inc.	2,432
Columbia Gas of Ohio, Inc.	18,779
Columbia Gas of Pennsylvania, Inc.	17,687
Columbia Gas of Virginia, Inc.	8,920
Columbia Gas Transmission Corporation	17,084
Columbia Gulf Transmission Company	4,455
Columbia LNG Corporation	158
Columbia Network Services Corporation	76
Columbia Remainder Corporation	267
Columbia Service Partners	--
Columbia Transmission Communications Corporation	150
Energy USA, Inc	9,759
Granite State Gas	--
Indianapolis Water Resources	--
Kokomo Gas and Fuel Company	47
NiSource Capital Markets	14
NiSource Crossroads Pipeline	512
NiSource Development Company, Inc	1,107
NiSource Energy Services, Inc	308
NiSource Energy Technology	296
NiSource Finance Company	--
NiSource Insurance Corporation, Ltd.	--
NiSource Pipeline Group, Inc	(38)
NiSource, Inc.	36,712
Northern Indiana Fuel and Light Company	61
Northern Indiana Public Merchant	1,017
Northern Indiana Public Service Company	32,910
Northern Utilities Maine	34
Northern Utilities New Hampshire	50
Primary Energy, Inc	1,067

TOTAL	171,728
	=====

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

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, 2002

Associate Company	Employee Benefits \$000	Telecomm \$000	Corporate Insurance \$000	Audit Fees \$000	PH Le
Bay State Gas Company	833	83	50		
Bay State Massachusetts	25,381	1,776	2,023	127	
Columbia Energy Group Capital Corporation			7		
Columbia Atlantic Trading Corporation			14		
Columbia Energy Group	1,923	79	7,588	153	
Columbia Energy Resources, Inc.	6,349	666	2,473	148	
Columbia Energy Services Corporation	47	36	22		
Columbia Finance Company			7		
Columbia Gas of Kentucky, Inc.	4,148	319	(129)		
Columbia Gas of Maryland, Inc.	934	102	(238)		
Columbia Gas of Ohio, Inc.	27,940	2,979	(4,419)	374	
Columbia Gas of Pennsylvania, Inc.	11,211	1,564	789	136	
Columbia Gas of Virginia, Inc.	4,845	626	(1,225)	16	
Columbia Gas Transmission Corporation	31,978	4,553	6,536	505	
Columbia Gulf Transmission Company	6,389	957	4,024	84	
Columbia LNG Corporation	52		3		
Columbia Network Services Corporation	36		20		
Columbia Pipeline Corporation			4		
Columbia Remainder Corporation	155		(1,340)		
Columbia Service Partners	21	3	13		
Columbia Transcom Company	55	4	131		
Crossroads Pipeline Company		8	11	38	
Energy USA, Inc	2,338	19	742	215	
Granite State Gas	285		91		
Indianapolis Water Resources		6			
IWC Resource Corporation	2,046	14	77	25	
Kokomo Gas and Fuel Company	1,040	4	145	45	
NiSource Capital Markets					
NiSource Development Company, Inc	30		(82)		
NiSource Energy Services, Inc			20		
NiSource Energy Technology	591	6	20		
NiSource Finance Company			13		
NiSource Insurance Corporation, Ltd.			4		
NiSource Pipeline Group, Inc			5		

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NiSource, Inc.	-121		(91)	601
Northern Indiana Fuel and Light Company	1,397		111	76
Northern Indiana Public Merchant	309	22	512	
Northern Indiana Public Service Company	69,866	1,908	13,217	658
Northern Utilities Maine	2,283	140	120	
Northern Utilities New Hampshire	691	194	138	
Primary Energy, Inc	1,311	50	1,180	
SM&P Resources, Inc	3,033			
	-----	-----	-----	-----
Total	207,396	16,118	32,586	3,201
	=====	=====	=====	=====

1) Primarily reflects a service offered by the Corporate Treasury Department to provide a non-repetitive electronic funds transfer.

2) Interest and principal payments on long term debentures made on behalf of CEG.

3) Includes one month of payroll.

Page 12

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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	EXPENSE
	-----	-----
	\$000	\$000
Account 152 - Fuel Stock Expenses Undistributed	None	None
	-----	-----
TOTAL	None	None

SUMMARY:

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Not Applicable

Page 13

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES

For the Year Ended December 31, 2002

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	EXPENSES
Account 163 - Stores Expenses Undistributed	None	None
TOTAL	None	None

Page 14

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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.

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DESCRIPTION	BALANCE AT BEGINNING OF YEAR
	\$000
Account 174 - Miscellaneous Current and Accrued Assets	2,099
Non-Compete Deferred Debit (Amortized over 15 Years Phantom Stock)	
TOTAL	2,099

Page 15

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

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	8,636	10,699
Deferred Insurance Receivables	3,299	1,953
Intangible Asset - Pension Restoration Plan	1,127	21,232
Misc. Deferred Property	--	7,375
TOTAL	13,062	41,259

Page 16

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

SCHEDULE X

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to the reported amount.

DESCRIPTION -----	AMOUNT -----
ACCOUNT 211 - MISCELLANEOUS PAID-IN CAPITAL	\$0
ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS	-----
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 -----	NET INCOME OR (LOSS) -----
ACCOUNT 216 - UNAPPROPRIATED RETAINED EARNINGS	\$000	\$000

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, 2002

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

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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 -----	AD -----
			%	\$000	\$000	
ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES:						
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, 2002

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
ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES	
Installment Promissory Note - Current Note 11/28/02 - 7.11%	2,246

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Nisource, Inc.	19,233

TOTAL	21,479
ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES	
Bay State Gas Company	25
Columbia Energy Group	4,890
Columbia Gas of Kentucky, Inc.	13
Columbia Gas of Maryland, Inc.	11
Columbia Gas of Ohio, Inc.	1,988
Columbia Gas of Pennsylvania, Inc.	160
Columbia Gas of Virginia, Inc.	137
Columbia Gas Transmission Corporation	1,401
Columbia Gulf Transmission Company	98
Energy USA, Inc	1,762
NiSource Development Company, Inc	351
NiSource, Inc.	30,879
NiSource Crossroads Pipeline	206
Northern Indiana Public Service Company	6,565
Primary Energy, Inc	68
System Money Pool Interest	340
System Money Pool Principal	116,981

TOTAL	165,875
ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	
Deferred Compensation	3,906
Accrued Vacation	6,548
LTIP Dividend Credit	--
Retirement Income Plan	(497)
Pension Retirement Benefits	2,250
Thrift Restoration Plan	1,642
Pension Restoration Plan	334
401k Loan	793
Building	215
Flexible Spending	213
SICA Group Life	202
Comprehensive Medical Expense Plan Accrual	258
Employee Thrift Plan	(217)
Post Employment Benefit Obligation	74
Thrift Plan - Company	60
Credit Union -	31
United Way	(95)
Contract Retainage	174
Aircraft Engine Overhaul Accrual	7
Dental Assistance Plan Accrual	412
Phantom Stock	600
Restricted Stock Options	8,879
Contingent Stock	--
Severance-	11,545
Job Placement -	1,026
Relocation -	3,341
Miscellaneous	2,630
Voluntary Personal Accident Insurance	(16)
Employment Agreements	24
Release & Retention Program	18

SCHEDULE XIII-A

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

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	2,246	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		2,246	None
		=====	=====

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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.

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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 \$2,915,000 in 2002 and \$1,794,000 in 2001.

d. Leases

Payments made by the Corporation in connection with operating leases are charged to expense incurred. No capitalized leases existed in 2002.

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
	FERC	SEC	
Interest Receivable	171	143	\$000 35
Deferred Income Taxes	283	282	90

Page 22

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2002

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 \$7,920,378 as of December 31, 2002, and represent the actuarial present value of the post-retirement benefits to be paid to current

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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 their 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.

h. Restructuring Activities

For the year ended December 31, 2002, liabilities were recorded for termination benefits related to the corporate restructuring initiative and other cost reduction programs. NiSource Corporate Services portion expensed in 2002 was \$6,358,160 for severance and \$745,400 for job placement.

Page 23

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,
For the Year ended December 31, 2002

SCHEDULE XV
STATEMENT OF INCOME

ACCOUNT	DESCRIPTION	2002	2001
		CURRENT YEAR	PRIOR YEAR
		\$000	\$000
INCOME			
457	Services rendered to associate companies	304,443	339,527
458	Services rendered to nonassociate companies	--	--
417	Interest Revenue	1	--
419	Interest Revenue - Other	187	8
421	Miscellaneous Income or Loss	--	--
Total Income		304,631	339,535
EXPENSE			

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920	Salaries and wages	139,915	120,210
921	Office supplies and expenses	11,997	38,421
922	Administrative expense transferred - credit	--	4,961
923	Outside services employed	72,981	93,227
924	Property insurance	49	(10)
925	Injuries and damages	1,249	729
926	Employee pensions and benefits	24,846	18,428
928	Regulatory commission expense	--	--
930.1	General advertising expenses	542	1,065
930.2	Miscellaneous general expenses	2,909	(1,361)
931	Rents	19,700	31,298
932	Maintenance of structures and equipment	8,510	8,666
403	Depreciation and amortization expense	8,032	8,288
408	Taxes other than income taxes	9,844	8,129
409	Income taxes	11,571	(11,889)
410	Provision for deferred income taxes	59,405	28,559
411	Provision for deferred income taxes - credit	(72,240)	(16,174)
426.1	Donations	255	984
426.3	Other deductions	2	4
430	Interest on debt to associate companies	4,078	5,688
431	Other interest expense	986	312
		-----	-----
	Total Expense	304,631	339,535
		-----	-----
	Net Income or (Loss)	--	--
		=====	=====

Page 24

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,

For the Year ended December 31, 2002

ANALYSIS OF BILLING

ASSOCIATE COMPANIES
ACCOUNT 457

NAME OF ASSOCIATE COMPANY	DIRECT	INDIRECT	COMPENSATION
	COSTS CHARGED	COSTS CHARGED	FOR USE OF CAPITAL
	457-1	457-2	457-3
	-----	-----	-----
	\$000	\$000	\$000
Bay State Gas Company	2,664	968	4
Bay State Massachusetts	15,336	6,551	161
Columbia Atlantic Trading Corporation	9	8	--
Columbia Energy Group	3,437	217	3
Columbia Energy Group Capital Corporation	10	9	--
Columbia Energy Resources, Inc.	9,468	5,008	94
Columbia Energy Services Corporation	528	156	3

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Columbia Finance Company	12	9	--
Columbia Gas of Kentucky, Inc.	5,173	2,669	54
Columbia Gas of Maryland, Inc.	1,787	1,026	21
Columbia Gas of Ohio, Inc.	39,840	18,338	370
Columbia Gas of Pennsylvania, Inc.	14,971	7,310	147
Columbia Gas of Virginia, Inc.	11,620	5,572	111
Columbia Gas Transmission Corporation	33,925	14,705	313
Columbia Gulf Transmission Company	7,420	3,737	78
Columbia LNG Corporation	13	15	--
Columbia Network Services Corporation	23	22	0
Columbia Remainder Corporation	742	121	2
Columbia Service Partners	468	44	1
Columbia Transmission Communications Corporation	3,049	399	7
Energy USA, Inc	5,976	4,029	59
Granite Gas Transmission	173	107	3
Indianapolis Water Resources	27	2	--
IWC Resource Corporation	1,457	547	9
Kokomo Gas and Fuel Company	573	225	5
NiSource Capital Markets	8	9	--
NiSource Crossroads Pipeline	209	126	3
NiSource Development Company, Inc	483	248	5
NiSource Energy Services, Inc	1,859	51	1
NiSource Energy Technology	279	100	2
NiSource Finance Company	223	42	1
NiSource Insurance Corporation, Ltd	79	44	1
NiSource Pipeline Group, Inc	54	37	--
NiSource, Inc.	4,386	621	9
Northern Indiana Fuel and Light Company	920	650	10
Northern Indiana Public Merchant	9,417	3,456	59
Northern Indiana Public Service Company	40,111	16,911	350
Northern Utilities Maine	1,390	686	16
Northern Utilities New Hampshire	1,581	800	19
Primary Energy, Inc	4,243	1,267	23
SM&P Resources, Inc	283	80	1
	-----	-----	-----
Total Amount Billed in 2002	224,226	96,922	1,945

Reconciliation to Total Revenues:

Difference between Amount of Unbilled Revenue December 2001 and December 2002	852	(21,635)	2,133
	-----	-----	-----
	225,078	75,287	4,078
	=====	=====	=====

Page 25

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,
For the Year Ended December 31, 2002

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	
N/A	\$000	\$000	\$000	\$000	\$000	

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, 2002

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	109,781	30,134	139,915	--	--	--
921 Office Supplies and Expenses	8,196	3,801	11,997	--	--	--
922 Administrative Expenses Transferred -- Credit	1,872	(1,872)	--	--	--	--
923 Outside Services Employed	68,860	4,121	72,981	--	--	--
924 Property Insurance	37	12	49	--	--	--
925 Injuries and Damages	691	558	1,249	--	--	--
926 Employee Pensions and Benefits	945	23,901	24,846	--	--	--
928 Regulatory Commission Expense	--	--	--	--	--	--
930.1 General Advertising Expenses	470	72	542	--	--	--
930.2 Miscellaneous General Expense	3,166	(257)	2,909	--	--	--
931 Rents	19,647	53	19,700	--	--	--
932 Maintenance of Structure and Equipment	5,579	2,931	8,510	--	--	--

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403	Depreciation and Amortization Expense	5,470	2,562	8,032	--	--	--
408	Taxes Other Than Income Taxes	122	9,722	9,844	--	--	--
409	Income Taxes	--	11,571	11,571	--	--	--
410	Provision for Deferred Income Taxes	--	59,405	59,405	--	--	--
411	Provision for Deferred Income Taxes -- Credit	--	(72,240)	(72,240)	--	--	--
417	Interest on Money Mkt Sweep Account	--	(1)	(1)	--	--	--
419	Other Interest	(2)	(185)	(187)	--	--	--
426.1	Donations	244	11	255	--	--	--
426.5	Other Deductions	--	2	2	--	--	--
427	Interest on Long-Term Debt	--	--	--	--	--	--
431	Other Interest Expense	--	986	986	--	--	--

Instructions:

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

	Total Expenses	225,078	75,287	300,365	--	--	--
430	Interest on Short-Term Debt			2,133			
	Compensation for Use of Capital-Associated Companies						
430	Intercompany Interest on Indebtedness			1,945			
	Compensation for Use of Equity Capital			--			
	Total Cost of Service			304,443			

Page 27

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2002

Schedule XVII

SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DEPAR

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DESCRIPTION OF ITEMS		TOTAL AMOUNT	OVERHEAD	ACCOUNTING SERVICES	T PO
920	Salaries and Wages	139,915	30,134	6,833	
921	Office Supplies and Expenses	11,997	3,801	235	
922	Administrative Expenses Transferred - Credit	--	(1,872)	--	
923	Outside Services Employed	72,981	4,121	782	
924	Property Insurance	49	12	--	
925	Injuries and Damages	1,249	558	--	
926	Employee Pensions and Benefits	24,846	23,901	(98)	
928	Regulatory Commission Expense	--	--	--	
930.1	General Advertising Expense	542	72	--	
930.2	Miscellaneous General Expense	2,909	(257)	1,028	
931	Rents	19,700	53	1	
932	Maintenance of Structures and Equipment	8,510	2,931	3	
403	Depreciation and Amortization Expense	8,032	2,562	--	
408	Taxes Other Than Income Taxes	9,844	9,722	--	
409	Income Taxes	11,571	11,571	--	
410	Provision for Deferred Income Taxes	59,405	59,405	--	
411	Provision for Deferred Income Taxes - Credit	--	--	--	
		(72,240)	(72,240)	--	
411.5	Investment Tax Credit	(1)	(1)	--	
419	Other Interest	(187)	(185)	--	
421	Miscellaneous Income or Loss	--	--	--	
426.1	Donations	255	11	--	
426.3	Other Deductions	2	2	--	
427	Interest on Long-Term Debt	--	--	--	
430	Interest on Debt to Associate Companies	4,078	--	--	
431	Other Interest Expense	986	986	--	

Instruction:

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

Total Expenses		304,443	75,287	8,784	
----------------	--	---------	--------	-------	--

DESCRIPTION OF ITEMS	DEPARTMENT OR SERVICE FUNCTION				
	CORPORATE COMMUNI- CATIONS	CORPORATE PLANNING	CORPORATE SECRETARY	CO T	
920	Salaries and Wages	865	489	252	
921	Office Supplies and Expenses	33	80	16	
922	Administrative Expenses Transferred - Credit	--	--	--	
923	Outside Services Employed	74	9	1,457	
924	Property Insurance	--	--	--	

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925	Injuries and Damages	--	--	--
926	Employee Pensions and Benefits	--	--	--
928	Regulatory Commission Expense	--	--	--
930.1	General Advertising Expense	--	--	--
930.2	Miscellaneous General Expense	3	5	64
931	Rents	--	2	--
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	Provision for Deferred Income Taxes - Credit	--	--	--
411.5	Investment Tax Credit	--	--	--
419	Other Interest	--	--	--
421	Miscellaneous Income or Loss	--	--	--
426.1	Donations	3	--	1
426.3	Other Deductions	--	--	--
427	Interest on Long-Term Debt	--	--	--
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		978	585	1,790
-----		-----	-----	-----

Page 28

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2002

Schedule XVII

SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

Account Number	ED MARKETING	ENERGY USA TPC	ENTERPRISE MULTIMEDIA COMMUNICATIONS	ENVIRONMENTAL AFFAIRS
	\$000	\$000	\$000	\$000
920	2,262	1,452	1,911	
921	166	6	446	
922	--	--	--	
923	828	42	460	
924	--	--	--	
925	--	--	--	

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926	--	32	1
928	--	--	--
930.1	--	--	433
930.2	26	--	216
931	--	--	5
932	--	--	3
403	--	--	--
408	--	--	--
409	--	--	--
410	--	--	--
411	--	--	--
411.5	--	--	--
419	--	--	--
421	--	--	--
426.1	--	--	156
426.5	--	--	--
427	--	--	--
430	--	--	--
431	--	--	--
<hr/>			
Total Expenses	3,282	1,532	3,631

Account Number	FACILITIES MGMT	FINANCE & STRATEGY	FLEET MANAGEMENT	GAS SUPP
	\$000	\$000	\$000	\$000
920	759	3,034	1,496	
921	16	176	55	
922	1,872	--	--	
923	46	4,462	2	
924	--	--	--	
925	--	--	--	
926	119	--	--	
928	--	--	--	
930.1	--	--	--	
930.2	10	10	4	
931	7,960	--	--	
932	1,253	--	--	
403	60	2	--	
408	(86)	--	--	
409	--	--	--	
410	--	--	--	
411	--	--	--	
411.5	--	--	--	
419	--	--	--	
421	--	--	--	
426.1	--	--	--	
426.5	--	--	--	
427	--	--	--	
430	--	--	--	
431	--	--	--	
<hr/>				
Total Expenses	12,009	7,684	1,557	

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Page 29

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.
For the Year Ended December 31, 2002

Schedule XVII
SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

Account Number	INFORMATION TECHNOLOGY	INVESTOR RELATIONS	LEGAL	MATERIAL SUPPLI
	\$000	\$000	\$000	\$000
920	33,410	359	4,860	
921	3,416	62	545	
922	--	--	--	
923	13,351	117	33,284	
924	--	--	--	
925	--	--	--	
926	7	--	3	
928	--	--	--	
930.1	6	--	20	
930.2	320	3	225	
931	11,402	3	1	
932	4,296	--	--	
403	4,902	--	--	
408	208	--	--	
409	--	--	--	
410	--	--	--	
411	--	--	--	
411.5	--	--	--	
419	--	--	--	
421	--	--	--	
426.1	3	--	1	
426.5	--	--	--	
427	--	--	--	
430	--	--	--	
431	--	--	--	
Total Expenses	71,321	544	38,939	

Account Number	PROCURE- MENT	REG. & GOVT.	RISK MANAGEMENT	SECURIT
	\$000	\$000	\$000	\$000

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920	596	2,944	1,443
921	54	443	137
922	--	--	--
923	158	2,478	66
924	--	--	37
925	--	--	688
926	--	84	(73)
928	--	--	--
930.1	1	8	--
930.2	1	133	2
931	1	18	1
932	--	--	--
403	--	--	--
408	--	--	--
409	--	--	--
410	--	--	--
411	--	--	--
411.5	--	--	--
419	--	--	--
421	--	--	--
426.1	--	6	--
426.5	--	--	--
427	--	--	--
430	--	--	--
431	--	--	--
-----	-----	-----	-----
Total Expenses	811	6,114	2,301
-----	-----	-----	-----

Page 30

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

DEPARTMENTAL ANALYSIS OF SALARIES

ACCOUNT 920

DEPARTMENTAL SALARY EXPENSE				
NAME OF DEPARTMENT Indicate each department or service function	INCLUDED IN AMOUNTS BILLED TO			
	TOTAL AMOUNT	PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES
-----	-----	-----	-----	-----
	\$000	\$000	\$000	\$000
Accounting Services	6,833	93	6,740	--
Air Transportation	100	--	100	--
Auditing	1,490	31	1,459	--

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Consolidation Accounting	1,068	37	1,031	--
Corporate Communications	865	--	865	--
Corporate Planning	489	17	472	--
Corporate Secretary	252	3	249	--
Corporate Treasury	1,093	20	1,073	--
ED Marketing	2,262	--	2,262	--
Energy USA -- TPC	1,452	--	1,452	--
Enterprise Multimedia Communication	1,912	--	1,912	--
Environmental Affairs	6,223	42	6,181	--
Executive	22,086	5,166	16,920	--
Facilities Management	759	12	747	--
Finance & Strategy	3,034	--	3,034	--
Fleet Management	1,496	--	1,496	--
Gas Supply	7,556	--	7,556	--
Governmental Affairs	293	--	293	--
Human Resources/ Benefits	2,205	--	2,205	--
Information Technology	33,410	2	33,408	--
Investor Relations	359	4	355	--
Legal	4,860	1	4,859	--
Materials and Supplies	2,711	--	2,711	--
Payroll	184	--	184	--
Procurement	596	--	596	--
Reg. & Govt	2,944	--	2,944	--
Risk Management	1,443	--	1,443	--
Security	127	3	124	--
Tax	1,679	49	1,630	--
	-----	-----	-----	--
Total	109,781	5,480	104,301	--
	-----	-----	-----	--

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For the Year Ended December 31, 2002

 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.

		RELATIONSHIP

FOR WHOM PURCHASED	ADDRESS	"A"= ASSOCIATE
-----	-----	"NA"= NON-ASSOCIATE

See schedule 923-A

Page 32

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

FOR WHOM PURCHASED	ADDRESS
-----	-----
1-Special Services - Audit	
ARTHUR ANDERSEN LLP	P.O. BOX 13882, NEWARK, NJ 07188-0882
Total Special Services - Audit	
2-Special Services - Legal	
AKIN, GUMP, STRAUSS, HAUER & FELD	1900 PENNZOIL PL - SOUTH TWR, HOUSTON, TX 77002
BAKER & DANIELS	300 N MERIDAN ST STE 2700, INDIANAPOLIS, IN 46204-1750
BAKER, DONELSON, BEARMAN &	165 MADISON AVE STE 2000, MEMPHIS, TN 38103-2799
BORDEN LADNER GERVAIS LLP	400 3RD AVE SW STE 1000, CALGARY, AB T2P 4H2
BOSS & TORMEY, P.C.	952 ECHO LN STE 330, HOUSTON, TX 77024-2774
BRICKER & ECKLER LLP	100 S THIRD ST, COLUMBUS, OH 43215-4236
BRICKLEY, SEARS & SORETT, P.A.	75 FEDERAL ST, BOSTON, MA 02110-2699

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C.D. BENGTON RESOURCE MGT LTD	2900, 350 - 7TH AVENUE S.W.,	CALGARY, ALBERTA,	T2P 3NP
CRANE, GREENE & PARENTE	90 STATE STREET,	ALBANY, NY	12207
DELOITTE & TOUCHE	PO BOX 840148,	DALLAS, TX	75284-0148
DOERNER, SAUNDERS, DANIELS & ANDER	320 S BOSTON AVE STE 500,	TULSA, OK	74103-3725
DRINKER, BIDDLE & REATH	1500 K STREET,	WASHINGTON, DC	20005
EICHHORN & EICHHORN	200 RUSSELL ST.,	HAMMOND, IN	46325
HAGEMIER, ALLEN & SMITH	1170 MARKET TOWER,	INDIANAPOLIS, IN	46204-2964
HOWREY SIMON ARNOLD & WHITE LLP	1299 PENNSYLVANIA AVE NW,	WASHINGTON, DC	20004-2402
JACKSON & KELLY	PO BOX 11276,	CHARLESTON, WV	25339
LEBOEUF, LAMB, GREENE & MACRAE	99 WASHINGTON AVENUE,	ALBANY, NY	12210-2820
LECG, LLC	dept 33210,	SAN FRANCISCO, CA	94139-3210
LEXECON	P.O. BOX 3600-81,	BOSTON, MA	02241-0681
MARK W COOPER	1449 N COLLEGE AVE,	INDIANAPOLIS, IN	46202-2720
MCGUIRE WOODS	ONE JAMES CENTER-ACCOUNTING,	RICHMOND, VA	23219-4030
MORGAN LEWIS AND BOCKIUS	PO BOX 8500 S-6050,	PHILADELPHIA, PA	19178-6050
MORGAN, BROWN, & JOY LLP	1 BOSTON PLACE,	BOSTON, MA	02108-4472
OGLETREE, DEAKINS, NASH, SMOAK	2 FIRST NATIONAL PLAZA,	CHICAGO, IL	60603
PAUL HASTINGS	75 EAST 55TH STREET,	NEW YORK, NY	10022-3205
PORTER, WRIGHT, MORRIS & WRIGH	41 SOUTH HIGH STREET,	COLUMBUS, OH	43215-6194
REED SMITH LLP	PO BOX 360074M,	PITTSBURGH, PA	15251-6074
ROBERT G KERN ESQ	1200 CRA-MER LN,	CHAPEL HILL, NC	27516-8382
ROBERTSON, FREILICH, BRUNO &	COHEN, LLC,	NEWARK, NJ	07102
ROBINSON & MCELWEE LLP	P.O. BOX 1791,	CHARLESTON, WV	25326
RUBIN & RUDMAN, LLP	50 ROWES WHARF,	BOSTON, MA	02110-3319
SCHIFF HARDIN & WAITE	6600 SEARS TOWER,	CHICAGO, IL	60606-6473
SIDLEY & AUSTIN	1501 K STREET NW,	WASHINGTON, DC	20005
SIDLEY AUSTIN BROWN & WOOD	BANK ONE PLAZA,	CHICAGO, IL	60603
STATE OF MAINE	EXECUTIVE DEPARTMENT,	AUGUSTA, ME	04333-0112
STEPTOE & JOHNSON	CLARKSBURG,	WV	26302-1732
THELEN REID & PRIEST LLP	40 WEST 57TH STREET,	NEW YORK, NY	10019-4097
THORP REED & ARMSTRONG	ONE OXFORD CENTRE,	PITTSBURGH, PA	15219-1425

240 Organizations

Total Special Services - Legal

Page 33

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

FOR WHOM PURCHASED	ADDRESS	RELATI "A"=AS "NA"=N ASSOCI
-----	-----	-----
3- Special Services - Consulting		
ACCENTURE LLP	PO BOX 70629, CHICAGO, IL 60673-0629	NA
ANALYTECH CONSULTING	BROADFIELD CENTER-SUITE K, MERRILLVILLE, IN 46410	NA
BRICKLEY, SEARS & SORETT, P.A.	75 FEDERAL ST, BOSTON, MA 02110-2699	NA
COMPUTER TASK GROUP INC	P. O. BOX 711778, CINCINNATI, OH 45271-1778	NA

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COMPUWARE CORPORATION	DRAWER #64376, DETROIT, MI 48264-0376	NA
CUSTOMER INFORMATION CONSULTI	CONSULTING INC, PORTER, IN 46304-2982	NA
DELOITTE & TOUCHE	PO BOX 840148, DALLAS, TX 75284-0148	NA
ENERGY STRATEGIES	111 WEST 5TH STREET, TULSA, OK 74103	NA
F1, INC.	359 S. FRANKLIN ST., VALPARAISO, IN 46383-6423	NA
FRANK SHAMBO	26000 FITZROY ST., WESTLAKE, OH 44145	NA
HMB	191 W. NATIONWIDE BLVD., COLUMBUS, OH 43215	NA
INFORMATION CONTROL CORP.	2500 CORPORATE EXCHANGE DRIVE, COLUMBUS, OH 43231	NA
INFORMATION INTEGRATORS, INC.	2540 FOSSIL STONE ROAD, DYER, IN 46311-1956	NA
JAMES W TROST, CONSULTING	606 DISKIN PLACE SW, LEESBURG, VA 20175-5052	NA
KLS ENTERPRISES, INC	1760 STAGECOACH CT, POWELL, OH 43065-9283	NA
LECG LLC	DEPT 33210, SAN FRANCISCO, CA 94139-3210	NA
NAVIGANT CONSULTING, INC.	135 S. LASALLE, CHICAGO, IL 60674-3720	NA
P. L. PRAIRIE, LTD	18272 EDENDERRY, NORTHVILLE, MI 48167	NA
PA CONSULTING SERVICES INC	PO BOX 406301, ATLANTA, GA 30384-6301	NA
RUBINO SOFTWARE SOLUTIONS	8943 ARBOR HILL DR, HIGHLAND, IN 46322-2172	NA
STRATEGIC GLOBAL POLICY CONSULT	17 SOUTH HIGH STREET, COLUMBUS, OH 43215	NA
THOMAS GREEN & ASSOCIATES LLC	COLUMBUS, OH 43215-4243	NA
WILKERSON & ASSOCIATES	3339 TAYLORSVILLE ROAD, LOUISVILLE, KY 40205-3103	NA
WINTERS INVESTMENT CONSULTING	9138 S CLAREMONT STREET, CHICAGO, IL 60620	NA

230 Organizations

Total Special Services - Consulting

Page 34

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

FOR WHOM PURCHASED	ADDRESS	RELAT "A"=AS "NA"= ASSO

4-Special Services - Other		
ADVANCED WASTE MGMT SYSTEMS	PO BOX 100, HIXSON, TN 37343-0100	N
A T KEARNEY	PO BOX 96796, CHICAGO, IL 60693-6796	N
ACCENTURE LLP	PO BOX 70629, CHICAGO, IL 60673-0629	N
ADDECO TECHNICAL	PO BOX 371084, PITTSBURGH, PA 15250-7084	N
ADECCO EMPL SVCS - PALATINE	DEPT CH 14091, PALATINE, IL 60055-4091	N
AT&T 7872	7872 COLLECTION CENTER DRIVE, CHICAGO, IL 60693	N
BMC SOFTWARE DISTRIBUTORS, INC	P.O. BOX 201040, HOUSTON, TX 77216	N
CANDLE CORPORATION	PO BOX 92278, CHICAGO, IL 60675-2278	N
CEDAR ENTERPRISE SOLUTION	ACCOUNT RECEIVABLE, BALTIMORE, MD 21275-5209	N
COMPUTER ASSOCIATES INTL., INC.	PO BOX 360355, PITTSBURGH, PA 15251	N
COMPUWARE CORPORATION	DRAWER #64376, DETROIT, MI 48264-0376	N
CORPORATE TRANSFER SERVICES	PO BOX 691527, CINCINNATI, OH 45269-1527	N
FREDERICK J. RAWSKI	18 PROVIDENCE COURT, NEWTOWN, PA 18940	N
KEVIN M. CONSIDINE, P C	1 BEACON ST STE 1320, BOSTON, MA 02108-3107	N
LAWSON SOFTWARE	SDS 12-1095, MINNEAPOLIS, MN 55486-1095	N
LEXIS-NEXIS	P.O. BOX 2314, CAROL STREAM, IL 601322314	N

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MARKETING SERVICES BY VECTRA I	3990 BUSINESS PARK DRIVE,	COLUMBUS, OH 43204
MELLON INVESTOR SERVICES	ACCOUNTING DEPARTMENT,	PITTSBURGH, PA 15251-6857
META GROUP INC	PO BOX 19114,	NEWARK, NJ 07195-0114
MOSSBERG & COMPANY INC	301 E SAMPLE STREET,	SOUTH BEND, IN 46601-3547
NORTHERN INDIANA PUBLIC SERVIC	5201 INDUSTRIAL HIGHWAY,	GARY, IN 46406-1125
PEOPLESOFT, USA, INC.	DEPT. CH10699,	PALATINE, IL 60055-0699
POMEROY COMPUTER	RESOURCES, INC.,	CINCINNATI, OH 452640381
PRICEWATERHOUSE COOPERS LLP	P.O. BOX 75647,	CHICAGO, IL 60675-5647
RHI CONSULTING INC	P.O. BOX 6248,	CAROL STREAM, IL 601976248
SAS INSTITUTE, INC.	PO BOX 406922,	ATLANTA, GA 30384-6922
SUNGARD RECOVERY SERVICES INC.	CHICAGO, IL 60693	
TECHNICAL SOLUTIONS GROUP	200 CAMPUS VIEW,	COLUMBUS, OH 43235
TEKSYSTEMS	P.O. BOX 198568,	ATLANTA, GA 303848568
World Com/UUnet	Payment Processing Center,	Richmond, VA 23285-4100
XEROX CORPORATION	P.O. BOX 802555,	CHICAGO, IL 60680-2555

701 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, 2002

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

Medical Expense Plan	6,972
Thrift Plan	2,873
Pension Restoration Plan	6,839
Long-Term Disability Insurance	892
Dental Assistance Plan	1,024
Employee Relocation Expense	947
Educational Assistance	459
Miscellaneous	170
Employee Cafeteria Subsidy	60

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Employee Assistance Plan	272
Flexible Spending Health & Dental	46
Group Life Insurance	702
Employee Retirement Expense	3,590

Total	24,846

Page 36

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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	Clear Channel Outdoor	11
Employee Recruiting/Advertising	Gary Steelheads	10
Employee Recruiting/Advertising	Infinityesp	9
Employee Recruiting/Advertising	KPC	27
Employee Recruiting/Advertising	Lord, Sullivan & Yoder	20
Employee Recruiting/Advertising	Marketing Services By Vectra Inc	3
Employee Recruiting/Advertising	Metromedia Technologies Inc	5
Employee Recruiting/Advertising	Personnel Consultants Internet	31
Employee Recruiting/Advertising	Pilot News	12
Employee Recruiting/Advertising	Rendell Inaugural Committee	10
Employee Recruiting/Advertising	Scott Advertising	4
Employee Recruiting/Advertising	Service Web Offset Corporation	20
Employee Recruiting/Advertising	Shaker Advertising Agency	16
Employee Recruiting/Advertising	South Bend Silver Hawks	5
Employee Recruiting/Advertising	St George Broadcasting Llc	8
Employee Recruiting/Advertising	The David Group	8
Employee Recruiting/Advertising	The Ehrlich - Steele Inaugural	15
Employee Recruiting/Advertising	The Goshen News	23
Employee Recruiting/Advertising	The News-Dispatch	11
Employee Recruiting/Advertising	The Times	33

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Employee Recruiting/Advertising	Think, Inc.	124
Employee Recruiting/Advertising	Truth Publishing Company, Inc	44
Employee Recruiting/Advertising	Wasserman Barry Group	28
Employee Recruiting/Advertising	WJJJ/WWSW/WKST	10
Employee Recruiting/Advertising	WKKJ	4
Employee Recruiting/Advertising	WLJE-FM RADIO	4
Employee Recruiting/Advertising	WSBA AM 910	3
Employee Recruiting/Advertising	York Newspaper Company	3
Employee Recruiting/Advertising	All Others	41

TOTAL		542

Page 37

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

 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
Employee Recruiting	5
Dues and Memberships - Corporate	365
Aircraft Service	18
Relocation	850
Employee Training	496
Other	1,175

TOTAL	2,909

Page 38

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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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
Data Processing	7,676
Office Space	7,518
Air Transportation	424
Miscellaneous	3,330
Auto and General Tools	691
Communications	61

TOTAL	19,700

Page 39

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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

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(1) Other than U.S. Government Taxes:		
Property		1,057
Sales and Use		1
Unemployment		172
License or Franchise		(27)

Total - other		1,203
(2) U.S. Government Taxes:		
Federal Insurance Contribution		8,551
Unemployment		90
Miscellaneous		-

Total - Federal		8,641
TOTAL		9,844

Page 40

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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
Calumet College Of St Joseph	Community Welfare	50
Catholic Social Services Inc.	Community Welfare	5
First Night Columbus	Community Welfare	5
Fitz Gerald & Robbins Inc.	Community Welfare	9
Indiana Environmental Institute	Community Welfare	12
Indiana Fiscal Policy Institute	Community Welfare	6
Lakeshore Chamber Of Commerce	Community Welfare	4
Louisiana Alive!, Inc.	Community Welfare	3
Operation Feed	Community Welfare	4
Team Columbus Soccer LLC	Community Welfare	3
Miscellaneous (362)		154

TOTAL		255

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

OTHER DONATIONS

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	2
TOTAL	2

ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2002

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 higher \$6.5 million in 2002 when compared to 2001.

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This was primarily due to higher severance charges in 2002 due to a corporate restructuring initiative. Also, NiSource Corporate Services had fewer employees the first half of 2001 thus labor costs for the year were lower than in 2002.

Office supplies and expenses decreased approximately \$26.4 million from 2001 to 2002. This primarily relates to \$21.6 million of Telecommunications costs being convenience billed in 2002 as opposed to being expensed through Corporate Services in 2001. See schedule V-A for an analysis of Telecommunications convenience billing. Also, travel expenses related to the merger were \$1.7 million higher in 2001 than in 2002.

Outside Services decreased approximately \$20 million from 2001 to 2002. \$14 million of this decrease was a result of decreased Information Technology (IT) expenses. These IT expenses were higher in 2001 due to increased spending as a result of the merger. Legal and Auditing expenses were also \$5.4 million higher in 2001 than in 2002 as a result of additional merger related costs.

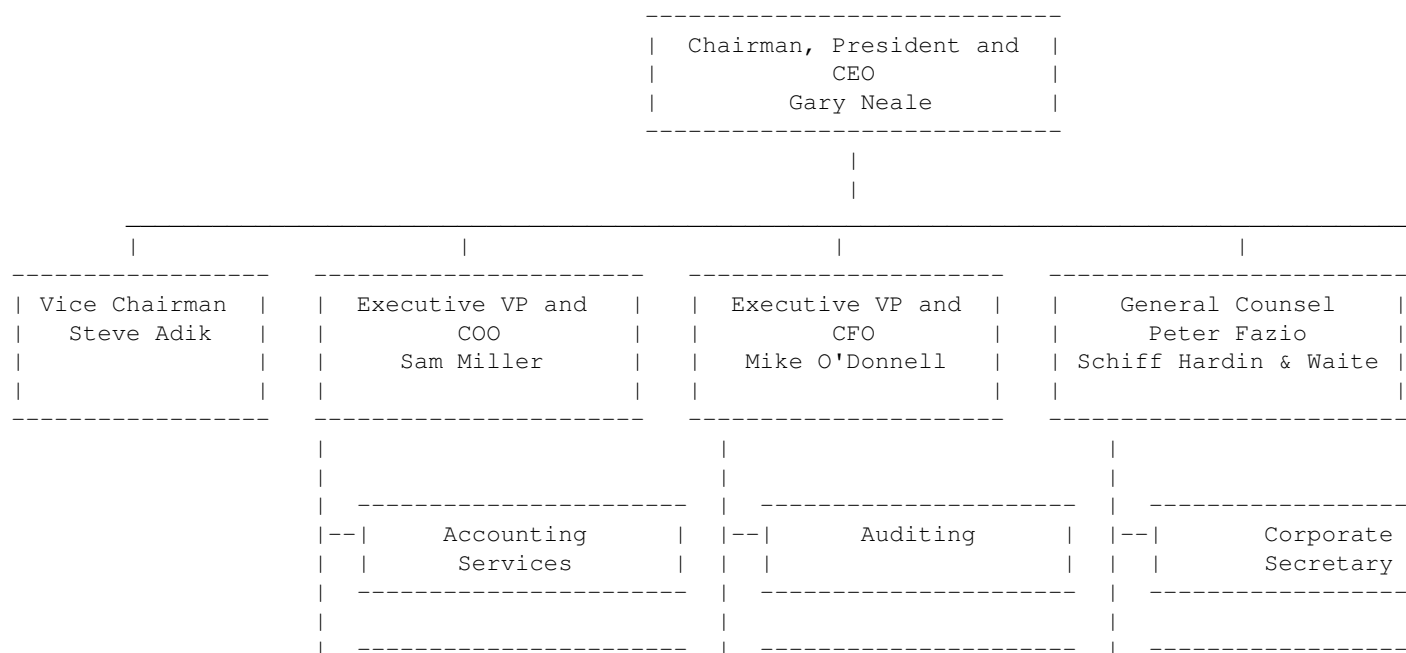
Benefits expense increased in 2002 by \$6.4 million. This increase was primarily due to increased Pension Restoration Plan expense and Retirement Income Plan expense from 2001 to 2002.

Rent expensed was less in 2002 than 2001 by approximately \$11.6 million. This decrease was primarily due to the sale of the former Columbia Energy Group headquarters in Herndon, Virginia in 2001. This was offset by rent expense incurred by NiSource Corporate Services to occupy office space in Columbus, Ohio and Merrillville, Indiana.

Page 43

NiSource Corporate Services Company Inc.

Organization Chart



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---	Air Transportation	---	Consolidation Accounting	---	Environmental Affairs
---	Corporate Planning	---	Corporate Treasury	---	Legal
---	ED Marketing	---	Investor Relations	---	Security
---	Energy USA TPC	---	Risk Management		
---	Enterprise Multimedia Communication	---	Tax		
---	Executive				
---	Facilities Management				
---	Finance & Strategy				
---	Fleet Management				
---	Gas Supply				
---	Governmental Affairs				
---	Information Technology				
---	Materials &				

	Supplies	

--	Payroll	

--	Procurement	

--	Regulatory & Government	

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 Distribution Property and Distribution Expenses
- Total Production Property and Expense
- Total Storage Property and Expense
- Transmission Property and Transmission Expenses
- 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.

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For the Year Ended December 31, 2002

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 Gas Company	160	4
Bay State Massachusetts	6,450	161
Columbia Atlantic Trading Corporation	8	0
Columbia Energy Group	131	3
Columbia Energy Group Capital Corporation	6	0
Columbia Energy Resources, Inc.	3,719	94
Columbia Energy Services Corporation	116	3
Columbia Finance Company	8	0
Columbia Gas of Kentucky, Inc.	2,180	54
Columbia Gas of Maryland, Inc.	826	21
Columbia Gas of Ohio, Inc.	14,830	370
Columbia Gas of Pennsylvania, Inc.	5,887	147
Columbia Gas of Virginia, Inc.	4,428	111
Columbia Gas Transmission Corporation	12,532	313
Columbia Gulf Transmission Company	3,111	78
NiSource Insurance Corporation, Ltd.	29	1
Columbia LNG Corporation	7	0
Columbia Network Services Corporation	18	0
Columbia Pipeline Corporation	10	0
Columbia Remainder Corporation	96	2
Columbia Service Partners	35	1
Columbia Transmission Communications Corporation	297	7
Energy USA, Inc	2,339	59
Granite Gas Transmission	102	3
IWC Resource Corporation	325	9
Kokomo Gas and Fuel Company	182	5
NiSource Capital Markets	7	0
NiSource Crossroads Pipeline	103	3
NiSource Development Company, Inc	210	5
NiSource Energy Services, Inc	40	1
NiSource Energy Technology	77	2
NiSource Finance Company	35	1
NiSource Pipeline Group, Inc	11	0
NiSource, Inc.	388	9
Northern Indiana Fuel and Light Company	413	10
Northern Indiana Public Merchant	2,321	59
Northern Indiana Public Service Company	14,012	350
Northern Utilities Maine	658	16
Northern Utilities New Hampshire	745	19
Primary Energy, Inc	913	23
SM&P Resources, Inc	30	1
	-----	-----

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Total 77,795 1,945
 =====

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 forty-four individual statements (see page 47).

Page 46

NISOURCE CORPORATE SERVICES COMPANY, INC.

COMPENSATION FOR USE OF CAPITAL

BILLED TO

COLUMBIA GULF TRANSMISSION COMPANY

DURING 2002

BILLING MONTH	INTEREST TO PARENT	NET INCOME	TOTAL COMPENSATION	SYSTEM DIRECT & ALLOCATED LABOR	MONTHLY RATE COL. 3/ COL. 4	MAN D& BI
	(1)	(2)	(3)	(4)	(5)	
JANUARY	163,335.62	0.00	163,335.62	5,945,687.75	0.02747	9
FEBRUARY	163,335.62	0.00	163,335.62	5,915,849.92	0.02761	9
MARCH	163,335.62	0.00	163,335.62	6,046,350.40	0.02701	9
APRIL	163,335.62	0.00	163,335.62	6,638,843.45	0.02460	1,0
MAY	163,335.62	0.00	163,335.62	6,587,302.69	0.02480	1,0
JUNE	163,335.62	0.00	163,335.62	6,663,400.96	0.02451	1,0
JULY	163,335.62	0.00	163,335.62	6,622,468.70	0.02466	1,0
AUGUST	163,335.62	0.00	163,335.62	7,046,832.69	0.02318	1,1
SEPTEMBER	163,335.62	0.00	163,335.62	6,632,867.66	0.02463	1,1
OCTOBER	163,335.62	0.00	163,335.62	7,059,870.39	0.02314	1,1
NOVEMBER	162,004.84	0.00	162,004.84	6,404,240.69	0.02530	1,0
DECEMBER	150,028.04	0.00	150,028.04	6,231,703.29	0.02407	9
	1,945,389.08	0.00	1,945,389.08	77,795,418.59	0.30098	12,5
	=====	=====	=====	=====	=====	=====

Page 47

SIGNATURE

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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:

Vincent DeVito
Controller

Date: April 30, 2003

Page 48