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NISOURCE INC/DE  
Form U-13-60  
May 01, 2002

Form U-13-60  
Mutual and Subsidiary Service Companies

Revised February 7, 1980

ANNUAL REPORT

For the Period

Beginning January 1, 2001 and Ending December 31, 2001

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)

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### INSTRUCTIONS FOR USE OF FORM U-13-60

1. Time of Filing - Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the Instructions for that form.
2. Number of Copies - Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report become necessary.
3. Period Covered by Report - The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.
4. Report Format - Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted on the same size as a sheet of the form or folded to such size.
5. Money Amounts Displayed - All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (Section 210.3-01[b]).
6. Deficits Displayed - Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X, Section 210.3-01[C]).
7. Major Amendments or Corrections - Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.
8. Definitions - Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Public Utility Holding Company Act of 1935, as amended February 2, 1979, shall be applicable to words or terms used specifically within this Form U-13-60.
9. Organization Chart - The service company shall submit with each annual report a copy of its current organization chart.
10. Methods of Allocation - The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.
11. Annual Statement of Compensation for Use of Capital Billed - The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use of capital billed during the calendar year.

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

Description of Schedules and Accounts	Schedule Account Number
COMPARATIVE BALANCE SHEET	Schedule
Service Company Property	Schedule
Accumulated Provision For Depreciation and Amortization of Service Company Property	Schedule
Investments	Schedule
Accounts Receivable From Associated Companies	Schedule
Fuel Stock Expenses Undistributed	Schedule
Stores Expense Undistributed	Schedule
Miscellaneous Current and Accrued Assets	Schedule
Miscellaneous Deferred Debits	Schedule
Research, Development or Demonstration Expenditures	Schedule
Proprietary Capital	Schedule
Long-Term Debt	Schedule
Current and Accrued Liabilities	Schedule
Notes to Financial Statements	Schedule
COMPARATIVE INCOME STATEMENT	Schedule
Analysis of Billing - Associate Companies	Account 4
Analysis of Billing - Nonassociate Companies	Account 4
Analysis of Charges for Service - Associate and Nonassociate Companies	Schedule
Schedule of Expense by Department or Service Function	Schedule

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Departmental Analysis of Salaries	Account 9
Outside Services Employed	Account 9
Employee Pensions and Benefits	Account 9
General Advertising Expenses	Account 9
Miscellaneous General Expenses	Account 9
Rents	Account 9
Taxes Other Than Income Taxes	Account 4
Donations	Account 4
Other Deductions	Account 4
Notes to Statement of Income	Schedule

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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

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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)	87,727
107	Construction work in progress (Schedule II)	--
	Total Property	87,727
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	31,223
	Net Service Company Property	56,504
	INVESTMENTS	
123	Investments in associate companies (Schedule IV)	--
124	Other investments (Schedule IV)	--
	Total Investments	--
	CURRENT AND ACCRUED ASSETS	
131	Cash	22
134	Special deposits	171
135	Working funds	21
136	Temporary cash investments (Schedule IV)	--
141	Notes receivable	--
143	Accounts receivable	(7,268)
144	Accumulated provision for uncollectible accounts	--
146	Accounts receivable from associate companies (Schedule V)	171,728
152	Fuel stock expenses undistributed (Schedule VI)	--
154	Materials and supplies	--
163	Stores expense undistributed (Schedule VII)	--
165	Prepayments	195
174	Miscellaneous current and accrued assets (Schedule VIII)	2,099
	Total Current and Accrued Assets	166,968
	DEFERRED DEBITS	
181	Unamortized debt expense	--
184	Clearing accounts	71,784
186	Miscellaneous deferred debits (Schedule IX)	13,062
188	Research, development, or demonstration expenditures (Schedule X)	--
190	Accumulated deferred income taxes	7,677
	Total Deferred Debits	92,523

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TOTAL ASSETS AND OTHER DEBITS

315,995  
=====

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SCHEDULE I - COMPARATIVE BALANCE SHEET

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	C
		\$
	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)	
	Total Proprietary Capital	-----
	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	34
233	Notes payable to associate companies (Schedule XIII)	21
234	Accounts payable to associate companies (Schedule XIII)	165
236	Taxes accrued	(4
237	Interest accrued	
238	Dividends declared	
241	Tax collections payable	9
242	Miscellaneous current and accrued liabilities (Schedule XIII)	44
	Total Current and Accrued Liabilities	----- 271
	DEFERRED CREDITS	
253	Other deferred credits	9
255	Accumulated deferred investment tax credits	

	Total Deferred Credits	9
282	ACCUMULATED DEFERRED INCOME TAXES	11,
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL	315,

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For the Year Ended December 31, 2001

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	21,597	1,807	--
306 LEASEHOLD IMPROVEMENTS	--	--	--
307 EQUIPMENT (1), (2)	17,801	25,824	504
308 OFFICE FURNITURE AND EQUIPMENT	7,057	4,503	4,242
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	--	503	31
310 AIRCRAFT AND AIRPORT EQUIPMENT (1)	2,664	12,581	2,038
311 OTHER SERVICE COMPANY PROPERTY (3)	143	--	--

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		-----	-----	-----
	SUB-TOTAL	49,324	45,218	6,815
		-----	-----	-----
107	CONSTRUCTION WORK IN PROGRESS (4)	--	--	--
		-----	-----	-----
	TOTAL	49,324	45,218	6,815
		=====	=====	=====

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

- 307 increase in the capital program of the information technology and telecommunications areas due to the merger with NiSource, Inc.
- 310 increase due to the purchase of an aircraft.

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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 CLOSE OF YEAR
		\$ 000	\$ 0
307-1	Telecommunications Equipment	--	
307-2	Communications Management Center	--	7
307-3	Data Processing Equipment	825	8
307-4	Print Services Equipment	--	
307-5	Research & Laboratory Equipment	--	
307-6	Telecommunications Equipment	4,211	9,6
307-7	EDP Equipment - 4 years	8,470	15,3
307-8	EDP Equipment - 10 years	--	
307-9	Personal Computer and Peripheral Equipment	7,321	9,5
307-10	Distribution Research Equipment	--	
307-11	Electrical Supply Generators	--	1,7



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307-14	CGT EQUIPMENT	34	
307-37	CPA EQUIPMENT	98	
307-51	TCO Equipment	100	1
307-90	NiSource Equipment	4,765	4,7
		-----	-----
	TOTAL	25,824	43,1

(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

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For the Year Ended December 31, 2001

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	6,683	444	--
306	LEASEHOLD IMPROVEMENTS	--	--	--

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307	EQUIPMENT (1)	11,182	6,592	504
308	OFFICE FURNITURE AND FIXTURES	1,947	926	4,242
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	--	63	31
310	AIRCRAFT AND AIRPORT EQUIPMENT	134	262	2,038
311	OTHER SERVICE COMPANY PROPERTY	142	--	--
		-----	-----	-----
	TOTAL	20,088	8,287	6,815
		=====	=====	=====

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

Please refer to page 7

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For the Year Ended December 31, 2001

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

Account 123 - Investment in Associate Companies

Account 124 - Other Investments

BA  
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OF

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Account 136 - Temporary Cash Investments  
System Money Pool - Unaffiliated

TOTAL

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For the Year Ended December 31, 2001

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALAN CLO OF Y
	-----	-----
	\$ 000	\$
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES		
Columbia Energy Group	25,035	
Columbia Gulf Transmission Company	4,926	4
Columbia Energy Services Corporation	439	
Columbia Propane Corporation	8,476	6
Columbia Electric Corporation	1,118	
Columbia LNG Corporation	52	
Columbia Network Services Corporation	--	
Columbia Insurance Corporation, Ltd.	--	
Columbia Transmission Communication Corporation	91	
Columbia Gas of Kentucky, Inc.	1,143	6
Columbia Gas of Ohio, Inc.	10,237	18
Columbia Gas of Maryland, Inc.	352	2
Columbia Gas of Pennsylvania, Inc.	4,710	17
Columbia Gas of Virginia, Inc.	2,303	8
Columbia Energy Group Capital Corporation	2	
Columbia Finance Corporation	--	
Columbia Petroleum Corporation	(26)	
Columbia Gas Transmission Corporation	11,598	17
Columbia Atlantic Trading Corporation	--	

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Columbia Energy Resources, Inc.	3,077	2
Columbia Remainder Corporation	--	
NiSource, Inc.	462	15
NiSourceCrossroads Pipeline	--	
Northern Indiana Public Service Company	--	32
Nisource Development Company, Inc	--	1
Nisource Capital Markets	--	
Nisource Energy Services, Inc	--	
Kokomo Gas and Fuel Company	--	
Northern Indiana Fuel and Light Company	--	
Bay State Gas Company	--	2
Nisource Pipeline Group, Inc	--	
Energy USA, Inc	--	9
Primary Energy, Inc	--	1
IWC Resource Corporation	--	9
SM&P Resources, Inc	--	12
Northern Utilities Maine	--	
Northern Utilities New Hampshire	--	
Nisource Energy Technology	--	
Bay State Massachusetts	--	
Northern Indiana Public Merchant	--	1
	-----	-----
TOTAL	73,995	171
	=====	=====

-----  
 ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

See Schedule V-A, page 12

TOTAL PAYMENT

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SCHEDULE V-A

NISOURCE CORPORATE SERVICES COMPANY, INC.

Convenience & Accommodation Payments  
 For the Year Ended December 31, 2001

Associate Company	Employee Benefits	Employee Payroll	Corporate Insurance	Audit Fees	L
-----	-----	-----	-----	-----	-----

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	\$000	\$000	\$000	\$000
Columbia Energy Group	154		4,401	
Columbia Gulf Transmission Company	7,068	32,027	2,083	
Columbia Energy Services Corporation	207	2,687	195	33
Columbia Propane Corporation	10,206	47,507	2,334	65
Columbia Electric Corporation	738	736		1
Columbia LNG Corporation	178	836	1	6
Columbia Network Services Corporation	17	154	47	
Columbia Service Partners			1	
Columbia Transcom Company	132	1,373	83	18
Columbia Gas of Kentucky, Inc.	4,252	15,345	513	11
Columbia Gas of Ohio, Inc.	32,297	91,299	10,084	115
Columbia Gas of Maryland, Inc.	922	4,933	99	6
Columbia Gas of Pennsylvania, Inc.	9,313	53,537	1,584	40
Columbia Gas of Virginia, Inc.	5,122	24,975	737	10
Commonwealth Propane, Inc.				
Columbia Pipeline Company			4	1
Columbia Petroleum Corporation	694	6,400	398	10
Columbia Finance Company			30	24
Columbia Capital Corporation			4	2
Columbia Gas Transmission Corporation	31,409	106,899	5,692	145
Columbia Atlantic Trading, Inc.			4	
Columbia Energy Resources, Inc.	6,221	23,985	1,294	25
Columbia Remainder Corporation	4		217	8
NiSource, Inc.	2,094		10	1,230
NiSourceCrossroads Pipeline				
Northern Indiana Public Service Company	7,460	85,799	6,673	1,725
Nisource Development Company, Inc	22		230	16
Nisource Capital Markets				1
Nisource Energy Services, Inc			20	2
Kokomo Gas and Fuel Company	167		73	16
Northern Indiana Fuel and Light Company	1		99	45
Bay State Gas Company	17		1,198	85
Nisource Pipeline Group, Inc			72	37
Energy USA, Inc	630	3,883	279	85
Primary Energy, Inc	191	1,327	468	4
IWC Resource Corporation	0	9,015	794	185
SM&P Resources, Inc	0	21,711		40
NiSource Finance Company				61
Northern Utilities Maine			2	1
Northern Utilities New Hampshire				1
Nisource Energy Technology	27	1,243	5	1
Bay State Massachusetts				
Northern Indiana Public Merchant	87		93	
	-----	-----	-----	-----
Total	119,630	535,671	39,821	4,055
	=====	=====	=====	=====

Note 1: Primarily reflects electronic funds transfer for System Federal Tax Payments.

Note 2: Primarily reflects a service offered by the Corporate Treasury Department to provide a non-repetitive electronic funds transfer to third parties.

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For the Year Ended December 31, 2001

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

SUMMARY:

Not Applicable

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For the Year Ended December 31, 2001

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

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attributable to each associate company

DESCRIPTION	LABOR	EXPE
	\$000	\$0
Account 163 - Stores Expenses Undistributed	None	No
<b>TOTAL</b>	None	No

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For the Year Ended December 31, 2001

SCHEDULE VIII

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

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

DESCRIPTION	BALANCE AT BEGINNING OF YEAR
	\$000
Account 174 - Miscellaneous Current and Accrued Assets Non-Compete Deferred Debit (Amortized over 15 Years Phantom Stock)	None
<b>TOTAL</b>	None

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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	6,370	8,636
Deferred Insurance Receivables	3,541	3,299
Intangible Asset - Pension Restoration Plan	1,127	1,127
	-----	-----
TOTAL	11,038	13,062
	-----	-----

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For the Year Ended December 31, 2001

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

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For the Year Ended December 31, 2001

SCHEDULE XI - PROPRIETARY CAPITAL

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

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

DESCRIPTION

ACCOUNT 211 - MISCELLANEOUS PAID-IN CAPITAL  
 ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS

TOTAL

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

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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 INC OR (LOS
	\$000	\$000
ACCOUNT 216 - UNAPPROPRIATED RETAINED EARNINGS		

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

---

TOTAL	0	0
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For the Year Ended December 31, 2001

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.

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NAME OF CREDITOR -----	TERMS OF OBLIG CLASS & SERIES OF OBLIGATION -----	DATE OF MATURITY -----	INTEREST RATE ----- %
ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES:			
Columbia Energy Group	Promissory Note	11/28/02	7.11
Columbia Energy Group	Promissory Note	11/28/05	7.30
Columbia Energy Group	Promissory Note	11/28/07	7.55
Columbia Energy Group	Promissory Note	11/28/10	7.82
Columbia Energy Group	Promissory Note	03/01/14	7.33
Columbia Energy Group	Promissory Note	11/28/15	7.92
Columbia Energy Group	Promissory Note	11/28/25	8.12
ACCOUNT 224 - OTHER LONG-TERM DEBT:			
TOTAL			

NAME OF CREDITOR -----	ADDI- TIONS ----- \$000	DEDUC- TIONS (1) ----- \$000	BALANCE AT CLOSE OF YEAR ----- \$000
ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES:			
Columbia Energy Group	--	--	--
Columbia Energy Group	--	--	2,246
Columbia Energy Group	--	--	2,246
Columbia Energy Group	--	--	2,246
Columbia Energy Group	--	--	12,700
Columbia Energy Group	--	--	2,246
Columbia Energy Group	--	--	2,246
ACCOUNT 224 - OTHER LONG-TERM DEBT:			
TOTAL	--	--	23,930

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For the Year Ended December 31, 2001

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

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group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
	\$000	\$000
-----		
ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES		
Installment Promissory Note - Current Note 11/28/02 - 7.11%	--	2,24
Nisource, Inc.	--	19,23
	-----	-----
TOTAL	--	21,47
-----		
ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES		
System Money Pool Principal	36,484	116,98
System Money Pool Interest	214	34
Columbia Energy Group	2,803	4,89
Columbia Gulf Transmission Company	--	9
Columbia Gas of Kentucky, Inc.	--	1
Columbia Gas of Ohio, Inc.	--	1,98
Columbia Gas of Maryland, Inc.	--	1
Columbia Gas of Pennsylvania, Inc.	--	16
Columbia Gas of Virginia, Inc.	--	13
Columbia Gas Transmission Corporation	--	1,40
NiSourceCrossroads Pipeline	--	20
Nisource, Inc.	--	30,87
Northern Indiana Public Service Company	--	6,56
Nisource Development Company, Inc	--	35
Bay State Gas Company	--	2
Energy USA, Inc	--	1,76
Primary Energy, Inc	--	6
	-----	-----
TOTAL	39,501	165,87
-----		
ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES		
Deferred Compensation	2,117	3,90
Accrued Vacation	2,276	6,54
LTIP Dividend Credit	(806)	
Retirement Income Plan	(2,290)	(49)
Pension Retirement Benefits	2,250	2,25
Thrift Restoration Plan	890	1,64
Pension Restoration Plan	907	33
401k Loan	--	79
Building	520	21
Flexible Spending	318	21
SICA Group Life	--	20
Comprehensive Medical Expense Plan Accrual	258	25
EmployeeThrift Plan	153	(21)
Post Employment Benefit Obligation	74	7
Thrift Plan - Company	60	6
Credit Union -	--	3
United Way	--	(9)
Contract Retainage	5,183	17
Aircraft Engine Overhaul Accrual	14	
Dental Assistance Plan Accrual	20	41

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Phantom Stock	8,349	60
Restricted Stock Options	--	8,87
Severance-	9,817	11,54
Job Placement -	875	1,02
Relocation -	7,685	3,34
Miscellaneous	794	2,63
Voluntary Personal Accident Insurance	(13)	(1
Employment Agreements	24	2
Release & Retention Program	18	1
	-----	-----
TOTAL	39,493	44,35

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

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2001

SCHEDULE XIV

NOTES TO FINANCIAL STATEMENTS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment and Related Depreciation

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

b. Income Taxes

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

c. Pension Costs

The Corporation participates in the NiSource, Inc. Pension Plan and the Retirement Income Plan of the Columbia Energy Group. These are trustee noncontributory pension plans which, with certain exceptions, cover all regular employees. NiSource Corporate Services Company, Inc.'s portion was \$1,794,000 in 2001 and \$(4,389,014) in 2000.

d. Leases

Payments made by the Corporation in connection with operating leases are charged to expense incurred. No capitalized leases existed in 2001.

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	6
Deferred Income Taxes	283	282	(10)

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2001

---

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 \$62,595,332 as of December 31, 2001, 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 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, 2001, liabilities were recorded for termination benefits related to the Operational Excellence program of the Energy Distribution Group and other cost reduction programs. NiSource Corporate Services' portion expensed in 2001 was \$2,087,912 for severance and \$167,990 for job placement.

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year ended December 31, 2001

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SCHEDULE XV  
STATEMENT OF INCOME

---

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ACCOUNT	DESCRIPTION	CURRENT YEAR
		\$000
INCOME		
457	Services rendered to associate companies	
458	Services rendered to nonassociate companies	
419	Interest Revenue - Other	
421	Miscellaneous Income or Loss	
	Total Income	
EXPENSE		
920	Salaries and wages	
921	Office supplies and expenses	
922	Administrative expense transferred - credit	
923	Outside services employed	
924	Property insurance	
925	Injuries and damages	
926	Employee pensions and benefits	
928	Regulatory commission expense	
930.1	General advertising expenses	
930.2	Miscellaneous general expenses	
931	Rents	
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	
426.1	Donations	
426.3	Other deductions	
430	Interest on debt to associate companies	
431	Other interest expense	
	Total Expense	
	Net Income or (Loss)	

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,

For the Year ended December 31, 2001

ANALYSIS OF BILLING

ASSOCIATE COMPANIES  
ACCOUNT 457



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NAME OF ASSOCIATE COMPANY	DIRECT COSTS CHARGED	INDIRECT COSTS CHARGED
	457-1 \$000	457-2 \$000
Columbia Energy Group	2,765	760
Columbia Gulf Transmission Company	8,826	4,929
Columbia Energy Services Corporation	1,817	589
Columbia Propane Corporation	4,095	993
Columbia Electric Corporation	242	7
Columbia Service Partners	65	13
Columbia LNG Corporation	89	81
Columbia Network Services Corporation	9	15
Columbia Insurance Corporation, Ltd	167	121
Columbia Transmission Communications Corporation	2,542	753
Columbia Gas of Kentucky, Inc.	3,983	2,441
Columbia Gas of Ohio, Inc.	36,196	18,549
Columbia Gas of Maryland, Inc.	1,378	1,064
Columbia Gas of Pennsylvania, Inc.	13,805	8,117
Columbia Gas of Virginia, Inc.	8,050	5,144
Columbia Pipeline Corporation	15	17
Columbia Finance Corporation	7	7
Columbia Energy Group Capital Corporation	30	47
Columbia Petroleum Corporation	189	125
Columbia Gas Transmission Corporation	36,956	18,102
Columbia Atlantic Trading Corporation	4	2
Columbia Energy Resources, Inc.	7,568	7,504
Columbia Remainder Corporation	76	58
NiSource, Inc.	2,892	739
NiSourceCrossroads Pipeline	246	192
Northern Indiana Public Service Company	31,017	21,391
Nisource Development Company, Inc	456	330
Nisource Capital Markets	19	17
Nisource Energy Services, Inc	666	27
Kokomo Gas and Fuel Company	288	243
Northern Indiana Fuel and Light Company	340	270
Bay State Gas Company	9,890	6,551
Nisource Pipeline Group, Inc	104	77
Energy USA, Inc	4,191	2,064
Primary Energy, Inc	965	339
IWC Resource Corporation	1,945	1,094
SM&P Resources, Inc	443	311
Granite Gas Transmission	4	2
Nisource Finance Company	505	190
Northern Utilities Maine	228	108
Northern Utilities New Hampshire	238	266
Nisource Energy Technology	98	21
Bay State Massachusetts	402	28
Northern Indiana Public Merchant	5,598	4,763
Total Amount Billed in 2001	189,409	108,461

Reconciliations to Total Revenues:

Difference between Amount of

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Unbilled Revenue December 2000 and  
December 2001

25,703	10,266
-----	-----
215,112	118,727
=====	=====

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC,

For the Year Ended December 31, 2001

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES  
ACCOUNT 458

NAME OF NONASSOCIATE COMPANY	DIRECT COST CHARGED	INDIRECT COST CHARGED	COMPENSATION FOR USE OF CAPITAL	TOT CO
	458-1	458-2	458-3	
N/A	\$000	\$000	\$000	\$0

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

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

Schedule XVI  
ANALYSIS OF CHARGES FOR SERVICE  
ASSOCIATE AND NONASSOCIATE COMPANIES

DESCRIPTION OF ITEMS	ASSOCIATE COMPANY CHARGES		
	DIRECT COST	INDIRECT COST	TOTAL

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	\$000	\$000	\$000	
920	Salaries and Wages	68,854	51,356	120,210
921	Office Supplies and Expenses	30,869	7,552	38,421
922	Administrative Expenses Transferred - Credit	1,382	3,579	4,961
923	Outside Services Employed	81,421	11,806	93,227
924	Property Insurance	21	(31)	(10)
925	Injuries and Damages	221	508	729
926	Employee Pensions and Benefits	1,155	17,273	18,428
928	Regulatory Commission Expense	-	-	-
930.1	General Advertising Expenses	803	262	1,065
930.2	Miscellaneous General Expense	(2,481)	1,120	(1,361)
931	Rents	23,373	7,925	31,298
932	Maintenance of Structure and Equipment	3,926	4,740	8,666
403	Depreciation and Amortization Expense	4,624	3,664	8,288
408	Taxes Other Than Income Taxes	386	7,743	8,129
409	Income Taxes	--	(11,889)	(11,889)
410	Provision for Deferred Income Taxes	--	28,559	28,559
411	Provision for Deferred Income Taxes - Credit	--	--	--
		--	(16,174)	(16,174)
411.5	Investment for Credit	--	--	--
419	Other Interest	--	(8)	(8)
426.1	Donations	558	430	988
426.5	Other Deductions	--	--	--
427	Interest on Long-Term Debt	--	--	--
431	Other Interest Expense	--	312	312

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

	Total Expenses	215,112	118,727	333,839
430	Interest on Short-Term Debt			3,728
	Compensation for Use of Capital- Associated Companies			
430	Intercompany Interest on Indebtedness			1,960
	Compensation for Use of Equity Capital			--
	Total Cost of Service			339,527

DESCRIPTION OF ITEMS	TOTAL CHARGES FOR SERVICE		
	DIRECT COST	INDIRECT COST	TOTAL
	\$000	\$000	\$000
-----	-----	-----	-----

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920	Salaries and Wages	68,854	51,356	120,210
921	Office Supplies and Expenses	30,869	7,552	38,421
922	Administrative Expenses Transferred - Credit	1,382	3,579	4,961
923	Outside Services Employed	81,421	11,806	93,227
924	Property Insurance	21	(31)	(10)
925	Injuries and Damages	221	508	729
926	Employee Pensions and Benefits	1,155	17,273	18,428
928	Regulatory Commission Expense	--	--	--
930.1	General Advertising Expenses	803	262	1,065
930.2	Miscellaneous General Expense	(2,481)	1,120	(1,361)
931	Rents	23,373	7,925	31,298
932	Maintenance of Structure and Equipment	3,926	4,740	8,666
403	Depreciation and Amortization Expense	4,624	3,664	8,288
408	Taxes Other Than Income Taxes	386	7,743	8,129
409	Income Taxes	--	(11,889)	(11,889)
410	Provision for Deferred Income Taxes	--	28,559	28,559
411	Provision for Deferred Income Taxes - Credit	--	(16,174)	(16,174)
411.5	Investment for Credit	--	--	--
419	Other Interest	--	(8)	(8)
426.1	Donations	558	430	988
426.5	Other Deductions	--	--	--
427	Interest on Long-Term Debt	--	--	--
431	Other Interest Expense	--	312	312

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

	Total Expenses	215,112	118,727	333,839
430	Interest on Short-Term Debt			3,728
	Compensation for Use of Capital- Associated Companies			1,960
430	Intercompany Interest on Indebtedness			--
	Compensation for Use of Equity Capital			339,527
	Total Cost of Service			339,527

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Schedule XVII

SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DESCRIPTION OF ITEMS	TOTAL AMOUNT	OVERHEAD	DEPARTMENT OR SERVICE FUNCTION	
			ACCOUNTING SERVICES	AIR TRANSPORTATION
920 Salaries and Wages	120,210	51,356	6,871	113
921 Office Supplies and Expenses	38,421	7,552	479	45
922 Administrative Expenses Transferred - Credit	4,961	3,579	-	-
923 Outside Services Employed	93,227	11,806	3,585	989
924 Property Insurance	(10)	(31)	-	-
925 Injuries and Damages	729	508	-	-
926 Employee Pensions and Benefits	18,428	17,273	132	4
928 Regulatory Commission Expense	-	-	-	-
930.1 General Advertising Expense	1,065	262	-	-
930.2 Miscellaneous General Expense	(1,361)	1,120	36	536
931 Rents	31,298	7,925	-	(12)
932 Maintenance of Structures and Equipment	8,666	4,740	39	113
403 Depreciation and Amortization Expense	8,288	3,664	-	261
408 Taxes Other Than Income Taxes	8,129	7,743	-	-
409 Income Taxes	(11,889)	(11,889)	-	-
410 Provision for Deferred Income Taxes	28,559	28,559	-	-
411 Provision for Deferred Income Taxes - Credit	(16,174)	(16,174)	-	-
411.5 Investment Tax Credit	-	-	-	-
419 Other Interest	(8)	(8)	-	-
421 Miscellaneous Income or Loss	-	-	-	-
426.1 Donations	988	430	-	-
426.3 Other Deductions	-	-	-	-
427 Interest on Long-Term Debt	-	-	-	-
430 Interest on Debt to Associate Companies	5,688	5,688	-	-
431 Other Interest Expense	312	312	-	-
Instruction: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System Account)				
Total Expenses	339,527	124,415	11,142	2,049

DESCRIPTION OF ITEMS	DEPARTMENT OR SERVICE FUNCTION			
	CORPORATE COMMUNICATIONS	CORPORATE INSURANCE	CORPORATE SECRETARY	CORPORATE TREASURY
920 Salaries and Wages	658	292	199	706
921 Office Supplies and Expenses	32	90	1	43
922 Administrative Expenses Transferred -				

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	Credit				
923	Outside Services Employed	215	25	593	273
924	Property Insurance	-	(48)		
925	Injuries and Damages		(457)		
926	Employee Pensions and Benefits	-	88		9
928	Regulatory Commission Expense				
930.1	General Advertising Expense	(12)			
930.2	Miscellaneous General Expense	5	1		144
931	Rents	-			(119)
932	Maintenance of Structures and Equipment				17
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	12			
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	910	(9)	793	1,073
-----					

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2001

Schedule XVII  
SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

Account Number	ED REG. & GOVT.	ED MARKETING	ENTERPRISE MULTIMEDIA COMMUNICATIONS	ENVIRON- MENTAL AFFAIRS	EXECUTIVE	FACILITIES MGMT	FIN STR
	\$000	\$000	\$000	\$000	\$000	\$000	\$
920	1,679	2,933	1,421	3,365	4,740	269	1
921	355	173	475	480	289	37	
922			-	-		1,382	
923	947	1,077	835	294	1,861	41	5
924							
925							

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926	15		30	58	145	48
928						
930.1	6	160	543		11	
930.2	66	26	154	29	381	1,950
931	4	4	1	11	17	(1,022)
932		1	-	13	4	239
403			-			
408	-	-	-	-	-	195
409	-	-	-	-	-	
410	-	-	-	-	-	
411	-	-	-	-	-	
411.5	-	-	-	-	-	
419	-	-	-	-	-	
421	-	-	-	-	-	
426.1	10	16	136	14	369	
426.5	-	-	-	-	-	
427	-	-	-	-	-	
430	-	-	-	-	-	
431	-	-	-	-	-	
Total Expenses	3,082	4,390	3,595	4,264	7,817	3,139

DEPARTMENT OR SERVICE FUNCTION

Account Number	GOVERNMENT AFFAIRS	HUMAN RESOURCES / BENEFITS	INFORMATION TECHNOLOGY	INVESTOR RELATIONS	LEGAL	MATERIALS & SUPPLIES
	\$000	\$000	\$000	\$000	\$000	\$000
920	71	478	19,987	303	3,470	865
921	14	68	27,091	36	379	22
922		-				-
923	19	489	28,485	162	33,999	32
924						
925						
926		445	66		5	26
928						
930.1		5	46		22	
930.2	6	64	382	2	29	1
931	28	1	8,444	-	-	-
932			3,487		-	-
403			4,361			
408	-	-	191	-	-	-
409	-	-		-	-	-
410	-	-		-	-	-
411	-	-		-	-	-
411.5	-	-		-	-	-
419	-	-		-	-	-
421	-	-		-	-	-
426.1	-	-		-	1	-
426.5	-	-		-	-	-
427	-	-		-	-	-
430	-	-		-	-	-

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431	-	-	-	-	-	-
Total Expenses	138	1,550	92,540	503	37,905	946

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.  
For the Year Ended December 31, 2001

Schedule XVII  
SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR SERVICE FUNCTION

DEPARTMENT OR SERVICE FUNCTION

Account Number	MERCHANT GAS SUPPLY	OTHER	PAYROLL	PROCURE- MENT	REAL ESTATE MANAGEMENT	RISK MANAGEMENT	SECURITY
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
920	3,263	9,549	6	322	211	947	4
921	163	14	13	13	1	106	2
922	-	-	-	-	-	-	-
923	363	-	246	542	27	11	-
924	-	42	-	-	-	27	-
925	-	655	-	-	-	(4)	-
926	-	-	-	2	-	5	-
928	-	-	-	-	-	-	-
930.1	-	9	-	3	-	-	-
930.2	3	(6,377)	10	2	-	4	3
931	-	16,006	-	-	4	1	-
932	13	-	-	-	-	-	-
403	-	-	-	-	-	-	-
408	-	-	-	-	-	-	-
409	-	-	-	-	-	-	-
410	-	-	-	-	-	-	-
411	-	-	-	-	-	-	-
411.5	-	-	-	-	-	-	-
419	-	-	-	-	-	-	-
421	-	-	-	-	-	-	-
426.1	-	-	-	-	-	-	-
426.5	-	-	-	-	-	-	-
427	-	-	-	-	-	-	-
430	-	-	-	-	-	-	-
431	-	-	-	-	-	-	-
Total Expenses	3,805	19,898	275	884	243	1,097	9



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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

DEPARTMENTAL ANALYSIS OF SALARIES

ACCOUNT 920

NAME OF DEPARTMENT Indicate each department or service function	DEPARTMENTAL SALARY EXPENSE				NUMBER PERSONNEL END OF YEAR
	TOTAL AMOUNT	INCLUDED IN AMOUNTS BILLED TO			
		PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES	
	\$000	\$000	\$000	\$000	
Accounting Services	6,871	427	6,444	-	173
Air Transportation	113	3	110	-	2
Auditing	1,252	132	1,120	-	24
Consolidation Accounting	1,196	190	1,006	-	22
Corporate Communications	658	-	658	-	11
Corporate Insurance	292	4	288	-	6
Corporate Secretary	199	-	199	-	3
Corporate Treasury	706	6	700	-	12
ED Reg. & Govt.	1,679	-	1,679	-	30
ED Marketing	2,933	-	2,933	-	26
Enterprise Multimedia Communication	1,421	-	1,421	-	25
Environmental Affairs	3,365	9	3,356	-	115
Executive	4,740	-	4,740	-	39
Facilities Management	269	-	269	-	13
Finance & Strategy	1,481	(12)	1,493	-	34
Fleet Management	500	-	500	-	28
Government Affairs	71	-	71	-	2
Human Resources/ Benefits	478	1	477	-	54
Information Technology	19,987	19	19,968	-	538

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Investor Relations	303	-	303	-	3
Legal	3,470	(203)	3,673	-	58
Materials and Supplies	865	1	864	-	40
Merchant Gas Supply	3,263	-	3,263	-	91
Other	9,549	-	9,549	-	8
Payroll	6	-	6	-	11
Corporate Procurement	322	2	320	-	8
Real Estate Management	211	2	209	-	5
Risk Management	947	2	945	-	15
Security	4	-	4	-	-
Tax	1,703	78	1,625	-	29
	-----	-----	-----	-----	-----
Total	68,854	661	68,193	-	1,425
	-----	-----	-----	-----	-----

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

-----  
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	AMOUNT
-----	-----	-----	-----
		"A"= ASSOCIATE	
		"NA"= NON-ASSOCIATE	
			\$000
See schedule 923-A			93,226

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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 North Meridan St., Indianapolis, IN 46204-1782
Barnes & Thornburg	11 South Meridian St., Indianapolis, IN 46204-3556
Borden Ladner Gervais LLP	1000 Canterra Tower, Calgary Alberta, T2P 4H2
Boss & Tormey, P.C.	952 Echo Lane Suite 330, Houston, TX 77024
Brickley, Sears & Sorett, P.A.	75 Federal St., Boston, MA 02110-2699
C.D. Bengtson Resource Mgt LTD	2900, 350 - 7th Av. SW, Calgary, Alberta T2P 3NP
Crane, Greene & Parente	90 State St., Albany, NY 12207
Deloitte & Touche LLP	333 Clay St., Houston, TX 77002-4196
Doerner, Saunders, Daniels & Ander	320 South Boston Av., Tulsa, OK 74103-3725
Drinker, Biddle & Reath	1500 K St., Washington, DC 20005
Eastwick Rose & Wright, P.A.	201 N. Charles St., Baltimore, MD 21201
Eichhorn & Eichhorn	200 Russell St., Hammond, IN 46325
Frederick J. Rawski	18 Providence Court, Newtown, PA 18940
Greenbaum Doll & McDonald	Section 469, Louisville, KY 40289
Hagemier, Allen & Smith	1170 Market Tower, Indianapolis, IN 46204-2964
Jackson & Kelly	P.O. Box 11276, Charleston, WV 25339
Leboeuf, Lamb, Greene & Macrae, LLP	125 West 55th St., New York, NY 10019-5389
Legg, LLC	Dept 33210, San Francisco, CA 94139-3210

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Mark W. Cooper	1449 North College Av., Indianapolis, IN 46202
McGuire Woods	One James Center-Accounting, Richmond, VA 23219-4030
Morgan Lewis and Bockius	P.O. Box 8500 S-6050, Philadelphia, PA 19178-6050
Neal, Gerber & Eisenberg	2 N. Lasalle St., Chicago, IL 60602
Ogletree, Deakins, Nash, Smoak	Stewart, P.C., Atlanta, GA 30392-1860
Porter & Hedges, LLP	Bank Lockbox, Dallas, TX 75284-1184
Porter, Wright, Morris & Wright	41 South High Street, Columbus, OH 43215-6194
Reed Smith, LLP	P.O. Box 36007 4M, Pittsburgh, PA 15251-6074
Robert G. Kern, ESQ.	1200 CRA-MER LN., Chapel Hill, NC 27516
Robertson, Freilich, Bruno &	Cohen, LLC, Newark, NJ 07102
Robinson & McElwee LLP	P.O. Box 1791, Charleston, WV 25326
Roy R. Robertson, Jr.	2909 Belle Plaine Trail, Michigan City, IN 46360-1703
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
Simon Peragine Smith &	Redfearn LLP, New Orleans, LA 70163-3000
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
Wolf Block Schorr and Solis Co.	1650 Arch Street, Philadelphia, PA 19103-2097
Wooden & McLaughlin LLP	1600 Capital Center South, Indianapolis, IN 46204
Wyatt, Tarrant & Combs	250 West Main St. Suite 1700, Lexington, KY 40507-174

256 Organizations

Total Special Services - Legal

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

FOR WHOM PURCHASED -----	ADDRESS -----
3- Special Services - Consulting -----	
A. T. Kearney	P. O. Box 96796, Chicago, IL 60693
ACLOCHE LLC	P O BOX 632997, Cincinnati, OH 45263-2997
ADROIT SYSTEMS, INC.	8 PARTRIDGE WAY, Holliston, MA, 01746
ALTRA SOFTWARE SERVICES, INC	1221 LAMAR, SUITE 950, Houston, TX, 77010
AMERICAN MANAGEMENT SYSTEMS	P.O. BOX 101043, Atlanta, GA, 30392
ANALYTECH CONSULTING	9111 BROADWAY, SUITE K, Merrillville, IN, 46410
ARTHUR ANDERSEN LLP	P.O. BOX 13882, Newark, NJ, 07188-0882
CEDAR ENTERPRISE SOLUTION	PO BOX 75209, Baltimore, MD, 21275-5209
COMPUTER TASK	P. O. BOX 711778, Cincinnati, OH, 45271-1778
COMPUWARE CORPORATION	DRAWER #64376, Detroit, MI, 48264-0376
CUSTOMER INFORMATION CONSULTI	134 W. ARBRE CROCHE CT., Porter, IN, 46304
F1, INC.	359 S. FRANKLIN ST., Valparaiso, IN, 46838-6423
GARTNER GROUP, INC.	PO BOX 911319, Dallas, TX, 75391-1319
GLOBAL INFORMATION TECH.	PO BOX 60839, Charlotte, NC, 28260-0839

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HARRIS, MACKESSY & BRENNAN, INC	42 E. GAY ST., STE.1310, Columbus, OH 43215
INFORMATION CONTROL CORP.	2500 CORPORATE EXCHANGE DRIVE SUITE 310, Columbus, OH 4323
INFORMATION INTEGRATORS, INC.	2540 FOSSIL STONE ROAD, Dyer, IN, 46311-1956
JEFFERSON WELLS INTERNATIONAL	BOX 68-4031, Milwaukee, WI, 53268-4031
KINGWOOD CONSULTING GROUP, INC	17 SOUTH HIGH ST., STE. 1220, Columbus, OH, 43215
KLS ENTERPRISES, INC	1760 STAGECOACH COURT, Powell, OH 43065
L.E.K. CONSULTING LLC	P.O. BOX 845288, Boston, MA, 02284-5288
MARKET STRATEGIES, INC	PO BOX 67000, Detroit, MI, 48267-1844
MAXIM GROUP	PO BOX 198572, Atlanta, GA, 30384-8572
MCKINSEY & COMPANY INC	21 SOUTH CLARK STREET STE 2900, Chicago, IL, 60603-2900
MDSI MOBILE DATA SOLUTIONS INC	10271 SHELLBRIDGE WAY, Richmond, BC, V6X2S8
MOBILE SOLUTION, INC.	14720 HARRISVILLE ROAD, Mt. Airy, MD, 21771
RAPIDIGM	8800 LYRA DRIVE SUITE 450, Columbus, OH, 43240
RICHARD A SHEMENSKI	248 CAVENAUGH CT., Powell, OH, 43065
STRATEGIC DECISIONS GROUP	135 SOUTH LASALLE STREET, Chicago, IL, 60674-4628
STRICTLY BUSINESS	611 3RD AVE., SUITE 300, Huntington, WV, 25720-2076
TECHNOLOGY CONTRACT SOLUTIONS	820 LAFAYETTE RD., Hampton, NH, 03842
TEKSYSTEMS	P.O. BOX 198568, ATLANTA, GA 30384-8568
TRANSTECH	P.O. BOX 930798, ATLANTA, GA 31193-0798
VISION INFORMATION SOLUTIONS	945 GLYN MORGAN CT, Newark, OH, 43055
WILKERSON & ASSOCIATES	3339 TAYLORSVILLE ROAD, Louisville, KY, 40205-3103
WILLIAM M MERCER, INC	21633 NETWORK PLACE, Chicago, IL, 60673-1216

218 Organizations

Total Special Services - Consulting

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

FOR WHOM PURCHASED

ADDRESS

4-Special Services - Other

ACQUONTEMPS	P.O. BOX 6248, CAROL STREAM, IL 60197-6248
ACLOCHE LLC	P.O. BOX 62997, CINCINNATI, OH 45263-2997
ADP INVESTOR COMMUNICATION	51 MERCEDES WAY, ENGEWOOD, NY 11717
ARCUS DATA SECURITY	DEPARTMENT 2022, SEATTLE, WA 98124-1936
ARTHUR ANDERSEN LLP	P.O. BOX 70630, CHICAGO, IL 63673-0630
AT&T 7872	7872 COLLECTION CENTER DRIVE, CHICAGO, IL 60693
BAY STATE GAS	200 CIVIC CENTER DRIVE, COLUMBUS, OH 43215
BMC SOFTWARE DISTRIBUTORS, INC	P.O. BOX 201040, HOUSTON, TX 77216
CHASE MELLON SHAREHOLDER	SERVICES, ACCOUNTING DEPT., PITTSBURGH, PA 15251-685
CHRISTENSEN & ASSOCIATES	P.O. BOX 4344, SCOTTSDALE, AZ 85261-4344

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CLARITAS  
COLUMBIA GAS TRANSMISSION  
COLUMBIA GULF TRANSMISSION  
COMPUTER ASSOCIATES INT.  
COMPUWARE CORPORATION  
DISPATCH CONSUMER SERVICES INC  
EMC2 CORPORATION  
EQUANT INTEGRATION SERVICES  
EXPRESS PERSONNEL SERVICES  
F1, INC  
GARTNER GROUP, INC.  
HEWITT ASSOCIATES, LLC (WIRE)  
HEWLETT-PACKARD  
IBM CORP  
INFORMATION CONTROL COPR.  
INTERNOS, LLC  
KFORCE  
KINGSTON & FAM, INC.  
LEVI, RAY & SHOUP, INC.  
LEXIS-NEXIS  
MANPOWER, INC.  
MARKETING SERVICES BY VECTRA  
MELLON INVESTOR SERVICES  
MOBILE DATA SOLUTION  
MOSSBERG & COMPANY, INC  
N SQUARED AVIATION, LLC  
NEW YORK STOCK EXCHANGE, INC  
NORTHERN INDIANA PUBLIC SERVICE  
PEOPLESOFT, USA, INC.  
POMEROY COMPUTER RESOURCES  
RHI CONSULTING  
S A S INSTITUTE, INC.  
STANDARD & POOR'S INSTITUTIONAL  
STERLING SOFTWARE LEASING CO.  
STRICTLY BUSINESS  
TEKSYSTEMS  
WILLIAMS COMM SOLUTIONS, INC.  
XEROX CORPORATION

P.O. BOX 7247-7380, PHILADELPHIA, PA 19170-7380  
200 CIVIC CENTER DRIVE, COLUMBUS, OH 43215  
200 CIVIC CENTER DRIVE, COLUMBUS, OH 43215  
P.O. BOX 360655, PITTSBURGH, PA 15251-6355  
DRAWER #64376, DETROIT, MI 48264-0376  
DEPTL-2335, COLUMBUS, OH 43260  
DEPT CH 10648, PALATINE, IL 60055-0648  
P.O. BOX 861419, ORLANDO, FL 32886-1419  
P.O. BOX 268951, OKLAHOMA CITY, OK 73126-8951  
359 S. FRANKLIN ST., VALPARAISO, IN 46383-6423  
P.O. BOX 911319, DALLAS, TX 75391-1319  
13880 DULLES CORNER LANE, HERNDON, VA 20171  
P.O. BOX 101149, ATLANTA, GA 30392-1149  
BANK OF AMERICA, CHICAGO, IL 60693  
2500 CORPORATE EXCHANGE DR. S, COLUMBUS, OH 43231  
P.O. BOX 711503, CINCINNATI, OH 45271-1503  
P.O. BOX 277997, ATLANTA, GA 30384-7997  
171-SO. 450-W, VALPARAISO, IN 46385  
2401 WEST MONROE, SPRINGFIELD, IL 62704  
P.O. BOX 2314, CAROL STREAM, IL 60132-2314  
P.O. BOX 68-6003, MILWAUKEE, WI 53267-6003  
3990 BUSINESS PARK DR., COLUMBUS, OH 43204  
ACCOUNTING DEPT, PITTSBURGH, PA 15251-6857  
10271 SHELLBRIDGE WAY, RICHMOND BC, V6X2W8  
P.O. BOX 210, SOUTH BEND, IN 46624-0210  
5201 INDUSTRIAL HIGHWAY, GARY, IN 46406-1125  
P.O. BOX 4530, NEW YORK, NY 10163  
5201 INDUSTRIAL HIGHWAY, GARY, IN 46406-1125  
DEPT. CH10699, PALATINE, IL 60055-0699  
RESOURCES, INC., CINCINNATI, OH 45264-0381  
P.O. BOX 6248, CAROL STREAM, IL 60197-6248  
P.O. BOX 65505, CHARLOTTE, NC 28265-0505  
2542 COLLECTION CENTER DR., CHICAGO, IL 60693  
135 S. LASALLE DEPT 8210, CHICAGO, IL 60674-8210  
P.O. BOX 2076, HUNINGTON, WV 25720-2076  
P.O. BOX 198568, ATLANTA, GA, 30384-8568  
21398 NETWORK PLACE, CHICAGO, IL 60673-1213  
P.O. BOX 802555, CHICAGO, IL 60680-2555

951 ORGANIZATIONS

Total Special Services - Other

Total All Special Services

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For the Year Ended December 31, 2001

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
Other Post-Employment Benefits	274
Medical Expense Plan	8,242
Thrift Plan	2,210
Pension Restoration Plan	369
Long-Term Disability Insurance	392
Dental Assistance Plan	961
Employee Relocation Expense	2,174
Educational Assistance	270
Miscellaneous	354
Employee Cafeteria Subsidy	58
Employee Assistance Plan	540
Flexible Spending Health & Dental	47
Group Life Insurance	713
Employee Retirement Expense	1,824
	-----
Total	18,428 =====

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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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	Alpha Beta Press, Inc	77
Employee Recruiting/Advertising	Capital City Consulting, Inc	11
Employee Recruiting/Advertising	Clear Channel Outdoor	52
Employee Recruiting/Advertising	Columbus Broadcasting	4
Employee Recruiting/Advertising	Debra MCClelland-Parker	3
Employee Recruiting/Advertising	Delite Outdoor Advertising	7
Employee Recruiting/Advertising	Eller Media Company	28
Employee Recruiting/Advertising	First Impression Promotional	11
Employee Recruiting/Advertising	Fort Wayne Newspaper	15
Employee Recruiting/Advertising	Franklin Communications	34
Employee Recruiting/Advertising	Green Light	7
Employee Recruiting/Advertising	Heritage Media Corp	4
Employee Recruiting/Advertising	HIS Energy	4
Employee Recruiting/Advertising	Holcomb Gallager Adams	8
Employee Recruiting/Advertising	Infinity Radio, INC	24
Employee Recruiting/Advertising	Jacob Agency	28
Employee Recruiting/Advertising	Lord, Sullivn & Yoder	43
Employee Recruiting/Advertising	Marconi Company	14
Employee Recruiting/Advertising	Matric Media	16
Employee Recruiting/Advertising	Newspaper Network of Central Ohio	14
Employee Recruiting/Advertising	Pittsburgh Post Gazette	4
Employee Recruiting/Advertising	RedredBus. Class Production Products	13
Employee Recruiting/Advertising	Renard Represents	9
Employee Recruiting/Advertising	Service Web Offset Corporation	13
Employee Recruiting/Advertising	Shaker Advertising Agency	71
Employee Recruiting/Advertising	Suburban News Publications	8
Employee Recruiting/Advertising	Susquehanna Radio Corp	9
Employee Recruiting/Advertising	The Columbus Dispatch	3
Employee Recruiting/Advertising	The David Group	31
Employee Recruiting/Advertising	The Jefferson Company	7
Employee Recruiting/Advertising	The Lamar Companies	71
Employee Recruiting/Advertising	WAXF	7
Employee Recruiting/Advertising	WBZZ	15
Employee Recruiting/Advertising	WDVE-FM	24
Employee Recruiting/Advertising	WFLS	5
Employee Recruiting/Advertising	WGET/WGTY	3
Employee Recruiting/Advertising	WHP-AM	9
Employee Recruiting/Advertising	WJLM	4
Employee Recruiting/Advertising	WKJM-FM	12
Employee Recruiting/Advertising	WKKO-FM	18
Employee Recruiting/Advertising	WMJI	47
Employee Recruiting/Advertising	WRNL	3
Employee Recruiting/Advertising	WRVA	9
Employee Recruiting/Advertising	WTAM	36
Employee Recruiting/Advertising	All Others	230



TOTAL

-----  
1065  
=====

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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	65
Dues and Memberships - Corporate	269
Aircraft Service	304
Relocation	1,020
Employee Training	1,107
Other	(4,126)
TOTAL	----- (1,361) =====

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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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	7,614
Office Space	21,634
Air Transportation	112
Miscellaneous	1,857
Auto and General Tools	12
Communications	69
	-----
TOTAL	31,298
	-----

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

TAXES OTHER THAN INCOME TAXES

ACCOUNT 408

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

AMOUNT  
-----  
\$000

(1) Other than U.S. Government Taxes:

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Property	1,332
Sales and Use	30
Unemployment	72
License or Franchise	10
	-----
Total - other	1,444
(2) U.S. Government Taxes:	
Federal Insurance Contribution	6,638
Unemployment	47
Miscellaneous	0
	-----
Total - Federal	6,685
TOTAL	8,129
	-----

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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
Advance Air and Waste Management	Community Welfare	14
Community Hospital Cancer Fund	Community Welfare	10
Congregation of Holy Cross	Community Welfare	125
Elkhart Air Show	Community Welfare	6
First Night Columbus	Community Welfare	8
Gary Arrord Communities in School	Community Welfare	25
Griffith Special Event	Community Welfare	3
Indiana Environmental Institute	Community Welfare	12
Indiana State Museum Foundation	Community Welfare	167
Indiana Symphony Orchestra	Community Welfare	13

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Lundquist CNG Race Team	Community Welfare	26
Louisiana Alive	Community Welfare	3
Martin University	Community Welfare	10
Northern Indiana Arts Association	Community Welfare	84
Northwest Indiana Symphony	Community Welfare	41
Rebuilding Together	Community Welfare	8
Thomas Green Associates	Community Welfare	55
Utility Business Coalition	Community Welfare	10
Valparaiso University	Community Welfare	68
United way	Community Welfare	124
Youth Links Charity Golf Tournament	Community Welfare	13
Miscellaneous (136)		158
		---
TOTAL		983
		---

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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	4
TOTAL	4

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

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

Salaries and wages decreased \$2.5 million in 2001 due to the offsetting effects of the merger accruals in 2000 and the increase in NiSource Corporate Services employees from 380 at 12/31/2000 to 1,425 at 12/31/2001.

Other categories of expense that increased due to the restructuring of the Corporation include:

Office supplies and expenses	\$31.6 million
Employee pensions and benefits	\$14.8 million
Rents	\$23.2 million
Outside services	\$81.0 million

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NISOURCE CORPORATE SERVICES COMPANY, INC.

Organization Chart

Chairman, President and  
CEO  
Gary Neala

Vice Chairman Steve Adik	COO Sam Miller	Executive VP and CFO Mike O'Donnell	General Counsel Peter Fazio Shiff Hardin & Waite	President Primary Energy Mark Wyckoff	Human O L Zi
-----	Accounting Services	Auditing	Corporate Secretary	-----	C Com
-----	Air Transportation	Consolidation	Environmental Affairs	-----	Hum B
-----	-----	-----	-----	-----	-----

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ED Regulatory & Gov't.	Corporate Treasury	Legal
ED Marketing	Investor Relations	Security
Enterprise Multimedia Communications	Risk Management	
Executive	Tax	
Facilities Management		
Finance & Strategy		
Fleet Management		
Government Affairs		
?? & Supplies		
Merchant Gas Supply		
Procurement		
Real Estate Management		

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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

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- 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

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ANNUAL REPORT OF NISOURCE CORPORATE SERVICES COMPANY, INC.

For the Year Ended December 31, 2001

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

COMPENSATION FOR USE OF CAPITAL  
SUMMARY OF BILLING TO ASSOCIATE COMPANIES

Company	Direct & Allocated Labor
	\$000
Columbia Energy Group	297
Columbia Gulf Transmission Company	2,387
Columbia Energy Services Corporation	279
Columbia Propane Corporation	491
Columbia Electric Corporation	10
Columbia LNG Corporation	36
Columbia Service Partners	6
Columbia Network Services Corporation	8
Columbia Insurance Corporation, Ltd.	57
Columbia Transmission Communications Corporation	356
Columbia Gas of Kentucky, Inc.	1,159
Columbia Gas of Ohio, Inc.	8,843
Columbia Gas of Maryland, Inc.	499
Columbia Gas of Pennsylvania, Inc.	3,803
Columbia Gas of Virginia, Inc.	2,446
Columbia Pipeline Corporation	9
Columbia Finance Co.	4

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Columbia Energy Group Capital Corporation	17
Columbia Petroleum Corporation	62
Columbia Gas Transmission Corporation	8,680
Columbia Atlantic Trading Corporation	1
Columbia Energy Resources, Inc.	3,519
Columbia Remainder Corporation	30
NiSource, Inc.	338
NiSourceCrossroads Pipeline	92
Northern Indiana Public Service Company	9,896
Nisource Development Company, Inc	189
Nisource Capital Markets	8
Nisource Energy Services, Inc	15
Kokomo Gas and Fuel Company	111
Northern Indiana Fuel and Light Company	126
Bay State Gas Company	3,005
Nisource Pipeline Group, Inc	41
Energy USA, Inc	971
Primary Energy, Inc	170
IWC Resource Corporation	518
SM&P Resources, Inc	145
Granite Gas Transmission	1
Nisource Finance Company	86
Northern Utilities Maine	52
Northern Utilities New Hampshire	128
Nisource Energy Technology	9
Bay State Massachusetts	18
Northern Indiana Public Merchant	2,302
	-----
Total	51,222
	=====

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).

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NISOURCE CORPORATE SERVICES COMPANY, INC.

COMPENSATION FOR USE OF CAPITAL

-----  
BILLED TO

COLUMBIA GULF TRANSMISSION COMPANY

DURING 2001  
-----

BILLING MONTH	INTEREST TO PARENT	NET INCOME	TOTAL COMPENSATION	SYSTEM DIRECT & ALLOCATED LABOR	MONTHLY RATE COL. 3/ COL. 4	MANAGEMENT D&A LABO BILLED T CGT
	(1)	(2)	(3)	(4)	(5)	(6)
JANUARY	163,335.62	0.00	163,335.62	912,098.93	17.90766	60,813.2



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FEBRUARY	163,335.62	0.00	163,335.62	3,923,139.67	4.16339	208,999.3
MARCH	163,335.62	0.00	163,335.62	3,664,214.60	4.45759	153,881.5
APRIL	163,335.62	0.00	163,335.62	4,061,435.34	4.02162	214,392.0
MAY	163,335.62	0.00	163,335.62	4,290,803.03	3.80664	174,119.1
JUNE	163,335.62	0.00	163,335.62	4,138,578.64	3.94666	172,603.8
JULY	163,335.62	0.00	163,335.62	4,506,799.97	3.62420	197,698.0
AUGUST	163,335.62	0.00	163,335.62	4,378,608.29	3.73031	193,802.8
SEPTEMBER	163,335.62	0.00	163,335.62	4,829,113.23	3.38231	233,029.0
OCTOBER	163,335.62	0.00	163,335.62	4,783,366.67	3.41466	228,717.0
NOVEMBER	163,335.62	0.00	163,335.62	6,814,967.13	2.39672	337,433.7
DECEMBER	163,335.35	0.00	163,335.35	4,918,398.24	3.32091	211,728.1
	1,960,027.17	0.00	1,960,027.17	51,221,523.74	3.82657	2,387,218.0

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SIGNATURE

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 26, 2002

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