

NISOURCE INC/DE  
Form U-9C-3  
March 18, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM U-9C-3**

**QUARTERLY REPORT**

**For the quarter ended December 31, 2004**

Filed Pursuant to Rule 58 of the Public Utility Holding Company Act of 1935

This report is being submitted as a combined filing for NiSource Inc. and Columbia Energy Group.

Please direct all inquiries to Jeffrey Grossman, Vice President and Controller of NiSource Inc. at 219-647-5675

**NiSource Inc./Columbia Energy Group**

801 E 86<sup>th</sup> Avenue  
Merrillville, IN 46410

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**Table of Contents****ITEM 1. ORGANIZATION CHART**

| <b>Name of Company</b>                        | <b>Energy or Gas-related Company</b> | <b>Date of Organization</b> | <b>State of Organization</b> | <b>Percentage of Voting Securities Held</b> | <b>Nature of Business</b>           |
|-----------------------------------------------|--------------------------------------|-----------------------------|------------------------------|---------------------------------------------|-------------------------------------|
| <b>Organization Chart Hierarchy</b>           |                                      |                             |                              |                                             |                                     |
| <b>Active companies denoted with (*)</b>      |                                      |                             |                              |                                             |                                     |
| <b>Reporting companies denoted with (**)</b>  |                                      |                             |                              |                                             |                                     |
| Source Inc.                                   | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| Columbia Energy Group                         | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| Columbia Atlantic Trading Corporation (**)    | Gas-related                          | 03/19/74                    | Delaware                     | 100%                                        | Gas-related ventures                |
| Columbia Deep Water Services Company          | Gas-related                          | 01/07/98                    | Delaware                     | 100%                                        | Gas pipeline development            |
| Columbia Energy Services Corporation (**)     | Energy-related                       | 06/06/60                    | Kentucky                     | 100%                                        | Energy-related services             |
| Power Holdings (**)                           | Energy-related                       | 06/29/00                    | Delaware                     | 1.0%                                        | Gas Marketing                       |
| Columbia Gas Transmission Corporation         | Gas-related                          | 03/03/69                    | Delaware                     | 100%                                        | Interstate gas pipeline             |
| Columbia Gulf Transmission Company (**)       | Gas-related                          | 05/28/58                    | Delaware                     | 100%                                        | Interstate gas pipeline             |
| Energy USA, Inc.                              | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| EnergyUSA-TPC Corporation (**)                | Energy-related                       | 08/10/00                    | Delaware                     | 100%                                        | Gas marketing                       |
| Energy Services Transportation, Inc.          | Gas-related                          | 06/18/98                    | Indiana                      | 100%                                        | Gas pipeline                        |
| Energy Services, Inc.                         | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| Frederico Nueces Pipeline Company (*) (**)    | Gas-related                          | 9/19/1998                   | Texas                        | 50%                                         | Gas pipeline                        |
| Granite State Gas Transmission (**)           | Gas-related                          | 10/24/55                    | Hampshire                    | 100%                                        | Interstate gas pipeline             |
| Energy Services, Inc.                         | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| Crossroads Pipeline Company (**)              | Gas-related                          | 04/05/93                    | Indiana                      | 100%                                        | Interstate gas pipeline             |
| ESI Power Marketing, Inc. (*) (**)            | Energy-related                       | 07/18/96                    | Indiana                      | 100%                                        | Power Marketing                     |
| Source Energy Technologies, Inc.              | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| SunPower Corporation (**) (a)                 | Energy-related                       | 04/24/85                    | California                   | 14.7%                                       | Developer of solar cells            |
| Thermatrix Corporation (**)                   | Energy-related                       | 08/18/94                    | Massachusetts                | 3.1%                                        | Developer of solid oxide fuel cells |
| Source Retail Service, Inc. (**)              | Energy-related                       | 11/12/03                    | Delaware                     | 100%                                        | Energy-related services             |
| Northern Indiana Fuel and Light Company, Inc. | N/A                                  | N/A                         | N/A                          | N/A                                         | N/A                                 |
| Northern Indiana Trading Company, Inc.        | Energy-related                       | 02/10/88                    | Indiana                      | 100%                                        | Gas marketing                       |

(a) SunPower Corporation was sold in November 2004.

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**ITEM 2. ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS**

**Securities:**

| Company Issuing Security | Type of Security Issued | Principal Amount of Security | Issue or Renewal | Cost of Capital | Person to Whom Security was Issued | Collateral Given with Security | Consideration Received for Each Security |
|--------------------------|-------------------------|------------------------------|------------------|-----------------|------------------------------------|--------------------------------|------------------------------------------|
| None                     |                         |                              |                  |                 |                                    |                                |                                          |

**Capital Contributions:**

| Company Contributing Capital | Company Receiving Capital | Amount of Capital Contribution |
|------------------------------|---------------------------|--------------------------------|
| None                         |                           |                                |

**ITEM 3. ASSOCIATE TRANSACTIONS (in thousands)**

**Part I. Transactions performed by reporting companies on behalf of associate companies**

| Reporting Company Rendering Services | Associate Company Receiving Services | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charges | Cost of Capital | Total Amount Billed |
|--------------------------------------|--------------------------------------|----------------------------|----------------------|------------------------|-----------------|---------------------|
| Columbia Gulf Transmission           | Columbia Deep Water                  | Operation & Maintenance    | \$ 11                | -                      | -               | \$ 11               |

**Table of Contents****ITEM 3. ASSOCIATE TRANSACTIONS (continued) (in thousands)****Part II. Transactions performed by associate companies on behalf of reporting companies**

| Associate Company                   | Reporting Company Receiving Services | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charges | Cost of Capital | Total Amount Billed |
|-------------------------------------|--------------------------------------|----------------------------|----------------------|------------------------|-----------------|---------------------|
| NiSource Corporate Services Company | Columbia Atlantic Trading            | Administrative             | \$ 1                 |                        |                 | \$ 1                |
| Columbia Gulf Transmission          | Columbia Deep Water                  | Operation & Maintenance    | \$ 11                |                        |                 | \$ 11               |
| NiSource Corporate Services Company | Columbia Deep Water                  | Administrative             | \$ 2                 |                        |                 | \$ 2                |
| NiSource Corporate Services Company | Columbia Energy Services             | Administrative             | \$ 72                |                        |                 | \$ 72               |
| NiSource Corporate Services Company | Columbia Gas Transmission            | Administrative             | \$ 11,656            |                        |                 | \$ 11,656           |
| NiSource Corporate Services Company | Columbia Gulf Transmission           | Administrative             | \$ 2,898             |                        |                 | \$ 2,898            |
| NiSource Corporate Services Company | EnergyUSA-TPC                        | Administrative             | \$ 353               |                        |                 | \$ 353              |
| NiSource Corporate Services Company | Granite State Gas                    | Administrative             | \$ 112               |                        |                 | \$ 112              |
| NiSource Corporate Services Company | Crossroads Pipeline                  | Administrative             | \$ 96                |                        |                 | \$ 96               |
| NiSource Corporate Services Company | NiSource Retail Service Company      | Administrative             | \$ 314               |                        |                 | \$ 314              |

**Table of Contents****ITEM 4. SUMMARY OF AGGREGATE INVESTMENT (in thousands)****Investments in energy-related companies:**

|                                                                                                                                                                            |              |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------|
| Total consolidated capitalization as of December 31, 2004                                                                                                                  | \$ 9,704,086 | Line 1 |
| Total capitalization multiplied by 15% (line 1 multiplied by 0.15)                                                                                                         | \$ 1,455,613 | Line 2 |
| Greater of \$50 million or line 2                                                                                                                                          | \$ 1,455,613 | Line 3 |
| Total current aggregate investment: (categorized by major line of energy-related business)                                                                                 |              |        |
| Energy-related services                                                                                                                                                    | \$ 10        |        |
| Total current aggregate investment                                                                                                                                         | \$ 10        | Line 4 |
| Difference between the greater of \$50 million or 15% of capital- ization and the total aggregate investment of the registered holding company system (line 3 less line 4) |              |        |
|                                                                                                                                                                            | \$ 1,455,603 | Line 5 |

**Investments in gas-related companies:**

|                                                                                            |    |  |
|--------------------------------------------------------------------------------------------|----|--|
| Total current aggregate investment: (categorized by major line of energy-related business) |    |  |
| Energy-related business                                                                    | \$ |  |
| Total current aggregate investment                                                         | \$ |  |

**ITEM 5. OTHER INVESTMENTS (in thousands)**

| Major Line of Energy-<br>Related Business * | Other<br>Investment in<br>last U-9C-3<br>Report<br>(in thousands) | Other<br>Investment in<br>this U-9C-3<br>Report<br>(in thousands) | Reason for<br>difference<br>in Other<br>Investment |
|---------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------|
| Gas Pipeline and Pipeline<br>Development    | \$ 2,216,547                                                      | \$ 2,084,676                                                      | a                                                  |
| Other Gas-Related Business                  |                                                                   |                                                                   |                                                    |
| Gas and Power Marketing                     | \$ 449,503                                                        | \$ 473,328                                                        | b                                                  |
| Other Energy-Related Business               | \$ 473,903                                                        | \$ 468,215                                                        | c                                                  |

\* For Columbia, the scope of the reporting of other investments includes investments, including gas-related guarantees, made before February 14, 1997, in pre-existing subsidiaries that could have been acquired pursuant to Rule 58 (b) (2). For NiSource Inc. the scope of the reporting of other investments includes investments made prior to 11-1-00 (date on which NiSource became a registered holding company) in pre-existing subsidiaries that could have been acquired pursuant to Rule 58 (b) (2).

a.

In the fourth quarter of 2004, Columbia Gas Transmission and Columbia Gulf Transmission's long-term debt was reduced by 138,083 in total due to being reclassified as current, Columbia Gas Transmission and Columbia Gulf Transmission received an additional paid in capital issuance from Columbia parent totaling \$2,212 thousand, and Columbia Atlantic Trading's long-term debt increased \$4,000 thousand due to intercompany issuances and transfers.

- b. In the fourth quarter of 2004, guaranties for EnergyUSA-TPC and Northern Indiana Trading increased \$23,800 thousands due to an increase in activity, and EnergyUSA-TPC and Northern Indiana Trading received an equity contribution via a tax savings allocation totaling \$15 thousand.
- c. In the fourth quarter of 2004, Columbia Energy Services received an equity contribution via a tax savings allocation of \$1,315 thousand, Columbia Energy Services guarantees decreased \$6,169 thousand which decrease over time as performance occurs, and the investment in SunPower Corp was sold.

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**ITEM 6. FINANCIAL STATEMENTS AND EXHIBITS**

Not required for the fourth quarter.



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**EXHIBITS**

1. Copies of contracts required to be provided by Item 3 shall be filed as exhibits.

NOT APPLICABLE

2. Certificate stating that a copy of the reports for the previous quarter has been filed with interested state commissions shall be filed as an exhibit. The certificate shall provide the names and addresses of the state commissions.

EXHIBIT A

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**SIGNATURE**

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NiSource Inc  
(Registrant)

Date: March 18, 2005

By:

/s/ Jeffrey W. Grossman  
Jeffrey W. Grossman  
Vice President  
(Principal Accounting Officer  
and Duly Authorized Officer)

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**EXHIBIT A**

CERTIFICATE

NiSource's Quarterly Report on Form U-9C-3 filed pursuant to Rule 58 for the quarter ended September 30, 2004 was filed with each state commission having jurisdiction over the retail rates of the public utility companies that are associate companies of any of the reporting companies.

The names and addresses of each such state utility commission is:

Public Service Commission of Maryland  
6 St. Paul Centre  
Baltimore, MD 21202

Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

Pennsylvania Public Utility Commission  
901 North 7<sup>th</sup> Street Rear  
Harrisburg, PA 17105-3265

Virginia State Corporation Commission  
1300 East Main Street  
Richmond, VA 23219

Indiana Utility Regulatory Commission  
302 West Washington Street, Room E 306  
Indianapolis, IN 46204

Maine Public Utilities Commission  
242 State Street  
Augusta, ME 04333

Massachusetts Department of Telecommunications & Energy  
One South Station  
Boston, MA 02110

New Hampshire Public Utilities Commission  
8 Old Suncook Road  
Concord, NH 03301