

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 86th Avenue
Merrillville, IN 46410

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Name of Company	Energy or Gas-related Company	Date of Organization	State of Organization	Percentage of Voting Securities Held	Nature of Business
Organization Chart Hierarchy					
Active companies denoted with (*)					
Reporting companies denoted with (**)					
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	Associate Company	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		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 capitalization 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-Related Business *	Other Investment in last U-9C-3 Report (in thousands)	Other Investment in this U-9C-3 Report (in thousands)	Reason for difference in Other Investment
Gas Pipeline and Pipeline 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 7th 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