

NISOURCE INC/DE
Form 4
August 17, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
NEALE GARY L

(Last) (First) (Middle)
801 E 86TH AVENUE
(Street)

MERRILLVILLE, IN 46410-6272

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NISOURCE INC/DE [NI]

3. Date of Earliest Transaction (Month/Day/Year)
08/15/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Stock | 08/15/2006 | 08/15/2006 | S | 31,400 D | \$ 21.5 | 674,656.0294 | D |
| Common Stock | 08/15/2006 | 08/15/2006 | S | 21,720 D | \$ 21.51 | 652,936.0294 | D |
| Common Stock | 08/15/2006 | 08/15/2006 | S | 1,966 D | \$ 21.52 | 650,970.0294 | D |
| Common Stock | 08/15/2006 | 08/15/2006 | S | 413 D | \$ 21.53 | 650,557.0294 | D |
| Common Stock | 08/15/2006 | 08/15/2006 | S | 5,900 D | \$ 21.54 | 644,657.0294 | D |
| Common | 08/16/2006 | 08/16/2006 | S | 4,800 D | \$ 21.5 | 639,857.0294 | D |

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| Stock | | | | | | | | | |
|--------------|------------|------------|---|--------|---|----------|--------------|---|-------------|
| Common Stock | 08/16/2006 | 08/16/2006 | S | 1,900 | D | \$ 21.51 | 637,957.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 3,300 | D | \$ 21.52 | 634,657.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 1,700 | D | \$ 21.53 | 632,957.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 2,200 | D | \$ 21.55 | 630,757.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 600 | D | \$ 21.56 | 630,157.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 700 | D | \$ 21.57 | 629,457.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 600 | D | \$ 21.58 | 628,857.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 1,100 | D | \$ 21.59 | 627,757.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 21,477 | D | \$ 21.6 | 606,280.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 200 | D | \$ 21.61 | 606,080.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 100 | D | \$ 21.62 | 605,980.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 1,500 | D | \$ 21.63 | 604,480.0294 | D | |
| Common Stock | 08/16/2006 | 08/16/2006 | S | 4,500 | D | \$ 21.64 | 599,980.0294 | D | |
| Common Stock | | | | | | | 13,279.1482 | I | 401(k) Plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. De Se (In |
|--|---|--------------------------------------|--|--------------------------------|------------------------------------|--|---|--------------|
|--|---|--------------------------------------|--|--------------------------------|------------------------------------|--|---|--------------|

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| Security | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|-----------------------------|-----------|--|---|------------------|-----------------|--------------|----------------------------|
| | | Code | V | | | | |
| Non Qualified Stock Options | \$ 18.44 | | | 01/31/2001 | 01/31/2010 | Common Stock | 125,000 |
| Non Qualified Stock Options | \$ 18.91 | | | 11/01/2000 | 08/27/2006 | Common Stock | 50,000 |
| Non Qualified Stock Options | \$ 19.84 | | | 01/01/2004 | 01/01/2013 | Common Stock | 373,157 |
| Non Qualified Stock Options | \$ 20.64 | | | 11/01/2000 | 08/26/2007 | Common Stock | 50,000 |
| Non Qualified Stock Options | \$ 21.005 | | | 01/25/2003 | 01/25/2012 | Common Stock | 194,064 |
| Non Qualified Stock Options | \$ 21.86 | | | 01/01/2005 | 01/01/2014 | Common Stock | 353,352 |
| Non Qualified Stock Options | \$ 22.22 | | | 08/22/2001 | 08/22/2010 | Common Stock | 125,000 |
| Non Qualified Stock Options | \$ 22.62 | | | 01/03/2006 | 01/03/2015 | Common Stock | 600,000 |
| Non Qualified Stock Options | \$ 24.59 | | | 11/01/2000 | 08/24/2009 | Common Stock | 50,000 |
| Non Qualified | \$ 25.94 | | | 01/01/2002 | 01/01/2011 | Common Stock | 160,377 |

Stock
Options

Non

Qualified \$ 29.22

Stock
Options

11/01/2000 08/25/2008 Common Stock 50,000

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| NEALE GARY L 801 E 86TH AVENUE MERRILLVILLE, IN 46410-6272 | | X | | |

Signatures

Gary W. Pottorff, Power of Attorney for Gary L. Neale 08/17/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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