

NEALE GARY L
Form 4
August 30, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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)
08/28/2006

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)
			Code	V	Amount	(D)	Price
Common Stock	08/28/2006	08/28/2006	S		44,400	D	\$ 21.15
							560,845.0294
Common Stock	08/28/2006	08/28/2006	S		24,900	D	\$ 21.16
							535,945.0294
Common Stock	08/28/2006	08/28/2006	S		8,300	D	\$ 21.17
							527,645.0294
Common Stock	08/28/2006	08/28/2006	S		12,400	D	\$ 21.18
							515,245.0294
Common Stock	08/29/2006	08/29/2006	S		6,200	D	\$ 21.06
							509,045.0294
Common Stock	08/29/2006	08/29/2006	S		25,223	D	\$ 21.06
							483,822.0294

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Stock							21.07		
Common Stock	08/29/2006	08/29/2006	S	1,700	D	\$ 21.08	482,122.0294	D	
Common Stock	08/29/2006	08/29/2006	S	1,700	D	\$ 21.09	480,422.0294	D	
Common Stock	08/29/2006	08/29/2006	S	7,500	D	\$ 21.1	472,922.0294	D	
Common Stock	08/29/2006	08/29/2006	S	3,200	D	\$ 21.11	469,722.0294	D	
Common Stock	08/29/2006	08/29/2006	S	10,900	D	\$ 21.12	458,822.0294	D	
Common Stock	08/29/2006	08/29/2006	S	2,700	D	\$ 21.13	456,122.0294	D	
Common Stock	08/29/2006	08/29/2006	S	3,000	D	\$ 21.14	453,122.0294	D	
Common Stock	08/29/2006	08/29/2006	S	38,000	D	\$ 21.15	415,122.0294	D	
Common Stock	08/29/2006	08/29/2006	S	1,200	D	\$ 21.16	413,922.0294	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 Security	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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. De	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non Qualified	\$ 18.44					01/31/2001	01/31/2010	Common Stock	125,000

Stock Options						
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 Stock Options	\$ 25.94	01/01/2002	01/01/2011	Common Stock	160,377	
Non Qualified Stock Options	\$ 29.22	11/01/2000	08/25/2008	Common Stock	50,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

X

NEALE GARY L
801 E 86TH AVENUE
MERRILLVILLE, IN 46410-6272

Signatures

Gary W. Pottorff, Power of Attorney for Gary L.
Neale

08/30/2006

__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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