

NISOURCE INC/DE
Form 4
August 24, 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 *
ODONNELL MICHAEL W

(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)
08/22/2006

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)
EVP & CFO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---------------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | | | | V | 146,724 | D | |
| Common Stock | | | | V | 6,163.3769 (1) | I | By Columbia Energy Group Savings Plan |

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

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

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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 Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|--------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount |
| Non Qualified Stock Options | \$ 19.84 | | | | | 01/01/2004 | 01/01/2013 | Common Stock | 73 |
| Non Qualified Stock Options | \$ 21.005 | | | | | 01/25/2003 | 01/25/2012 | Common Stock | 30 |
| Non Qualified Stock Options | \$ 21.86 | | | | | 01/01/2005 | 01/01/2014 | Common Stock | 69 |
| Non Qualified Stock Options | \$ 22.62 | | | | | 01/03/2006 | 01/03/2015 | Common Stock | 169 |
| Non Qualified Stock Options | \$ 25.94 | | | | | 01/01/2002 | 01/01/2011 | Common Stock | 25 |
| Phantom Stock | \$ 0 | 08/22/2006 | 08/22/2006 | A | 1,389.139 | 08/08/1988 | 08/08/1988 | Common Stock | 1,38 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| ODONNELL MICHAEL W 801 E 86TH AVENUE MERRILLVILLE, IN 46410-6272 | | | EVP & CFO | |

Signatures

Gary W. Pottorff, Power of Attorney for Michael W.
O'Donnell

08/24/2006

__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).

(1) Includes 126.4383 shares acquired through the 401(k) Plan through June 30, 2006

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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