NISOURCE INC/DE

Form 4

October 03, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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response...

Section 16. Form 4 or Form 5 obligations may continue.

Check this box

if no longer

subject to

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 See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * WELSH ROBERT J

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

NISOURCE INC/DE [NI]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

4. If Amendment, Date Original

X_ Director Officer (give title

10% Owner Other (specify

801 E 86TH AVENUE

(Month/Day/Year) 09/29/2006

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line)

X 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

below)

MERRILLVILLE, IN 46410-6272

(Street)

(City) (State) (Zip) 2. Transaction Date 2A. Deemed

(Month/Day/Year) Execution Date, if

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5) 5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

Reported Transaction(s)

or (Instr. 3 and 4)

Common

Stock

1.Title of

Security

(Instr. 3)

Code V Amount (D) Price

(A)

16,600 D

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

(Month/Day/Year)

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

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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 or Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercise Expiration Date (Month/Day/Y	e	7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Phantom Stock	\$ 0	09/29/2006	09/29/2006	A	229.727	08/08/1988	08/08/1988	Common Stock	229.72

Reporting Owners

Reporting Owner Name / Address	Relationships					
•	Director	10% Owner	Officer	Other		
WELSH ROBERT J						
801 E 86TH AVENUE	X					
MERRILLVILLE, IN 46410-6272						

Signatures

Gary W. Pottorff, Power of Attorney for Robert J.
Welsh

**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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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