

NEALE GARY L  
Form 4  
August 18, 2005

**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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
08/17/2005

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

MERRILLVILLE, IN 46410-6272  
  
(City) (State) (Zip)

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

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			
				Code	V	Amount		
Common Stock	08/17/2005	08/17/2005	M	40,000	A	\$ 16.22	1,170,827.0294 (1) (2) (3)	D
Common Stock	08/17/2005	08/17/2005	S	32,848	D	\$ 23.02	1,137,979.0294 (1) (2) (3)	D
Common Stock	08/17/2005	08/17/2005	S	150	D	\$ 23.05	1,137,829.0294 (1) (2) (3)	D
Common Stock							12,666.2312 (5)	I 401(k) 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**

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required to respond unless the form displays a currently valid OMB control number.

**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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
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	\$ 22.62					01/03/2006 01/03/2015	Common Stock 600,000

