NEALE GARY L Form 4 January 04, 2005

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading NEALE GARY L Issuer Symbol NISOURCE INC/DE [NI] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner Other (specify X_ Officer (give title 801 E 86TH AVENUE 12/31/2004 below) Chairman and CEO (Street) 4. If Amendment, Date Original 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 MERRILLVILLE, IN 46410-6272 Person

(City)	(State)	(Zip) Tal	ble I - N	Non-	Derivative So	ecuriti	es Acq	uired, Disposed of, o	r Beneficially	Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or		(D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)		7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(D)	Price		(======================================	
Common Stock	12/31/2004		J <u>(1)</u>	V	79.3273	A	\$0	1,216,180.3398	D	
Common Stock	01/03/2005		D		28,307	D	\$0	1,187,873.3398	D	
Common Stock	01/03/2005		S		8,940	D	\$0	1,178,933.3398	D	
Common Stock	12/31/2004		J(2)	V	537.9297	A	\$0	12,263.6229	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 SEC 1474 information contained in this form are not (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. Transactic Code (Instr. 8)	orDeri Secu Acq Disp	fumber ivative urities uired (aposed of tr. 3, 4,	A) or f (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount o Underlying Securities (Instr. 3 and 4)	
				Code V	((A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Non Qualified Stock Options	\$ 16.22							11/01/2000	08/22/2005	Common Stock	40,00
Non Qualified Stock Options	\$ 18.44							01/31/2001	01/31/2010	Common Stock	125,00
Non Qualified Stock Options	\$ 18.91							11/01/2000	08/27/2006	Common Stock	50,00
Non Qualified Stock Options	\$ 19.84							01/01/2004	01/01/2013	Common Stock	373,15
Non Qualified Stock Options	\$ 20.64							11/01/2000	08/26/2007	Common Stock	50,00
Non Qualified Stock Options	\$ 21.005							01/25/2003	01/25/2012	Common Stock	194,06
Non Qualified Stock Options	\$ 21.86							01/01/2005	01/01/2014	Common Stock	353,35
Non Qualified Stock Options	\$ 22.22							08/22/2001	08/22/2010	Common Stock	125,00

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Non Qualified Stock Options	\$ 22.62	01/03/2005	A	600,000	01/03/2006	01/03/2015	Common Stock	600,00
Non Qualified Stock Options	\$ 24.59				11/01/2000	08/24/2009	Common Stock	50,00
Non Qualified Stock Options	\$ 25.94				01/01/2002	01/01/2011	Common Stock	160,37
Non Qualified Stock Options	\$ 29.22				11/01/2000	08/25/2008	Common Stock	50,00

Reporting Owners

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

Signatures

Gary W. Pottorff, Power of
Attorney

**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 shares acquired through the Employee Stock Purchase Plan. Transaction is exempt pursuant to Section 16(a) of the Securities and Exchange Act.
- (2) Includes shares acquired through the NiSource Inc. 401(k) Plan. Transaction is exempt pursuant to Section 16(a) of the Securities and Exchange Act.

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.

Reporting Owners 3