

SKAGGS ROBERT C JR
 Form 4
 August 27, 2009

FORM 4

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

OMB APPROVAL

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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 *
 SKAGGS ROBERT C JR

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)
 08/25/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 President & 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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock					529,624	D	
Common Stock					15,735.7875 (2)	I	401(k) Plan

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

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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	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
Phantom Stock	\$ 0	08/25/2009	08/25/2009	A	2,208.473	(1)	(1)	Common Stock	2,208.473
Non Qualified Stock Options	\$ 25.94					01/01/2001	01/01/2011	Common Stock	15,000
Non Qualified Stock Options	\$ 21.005					01/25/2002	01/25/2012	Common Stock	18,000
Non Qualified Stock Options	\$ 19.84					01/01/2003	01/01/2013	Common Stock	27,000
Non Qualified Stock Options	\$ 21.86					01/01/2005	01/01/2014	Common Stock	48,000
Non Qualified Stock Options	\$ 22.62					01/03/2006	01/03/2015	Common Stock	171,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SKAGGS ROBERT C JR 801 E 86TH AVENUE MERRILLVILLE, IN 46410-6272	X		President & CEO	

Signatures

Gary W. Pottorff, attorney-in-fact for Robert C. Skaggs, Jr. 08/26/2009

__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) The phantom stock units represent dividend equivalents and are to be settled following the reporting person's retirement or other termination of service.
- (2) Includes shares acquired through the NiSource Inc. 401(k) Plan through June 30, 2009

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.