

NISOURCE INC/DE
Form FWP
May 15, 2008

Filed Pursuant to Rule 433
Registration Nos. 333-148239 and 333-148239-01
May 15, 2008

PRICING TERM SHEET
(To Preliminary Prospectus Supplement dated May 15, 2008)

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| Issuer: | NiSource Finance Corp. |
| Guarantor: | NiSource Inc. |
| Security: | 6.80% Notes due 2019 |
| Ratings: | Baa3 (negative outlook)/BBB (stable)/BBB (stable) (Moody s/Standard & Poor s/Fitch) |
| Size: | \$500,000,000 |
| Public Offering Price: | 99.724% |
| Maturity: | January 15, 2019 |
| Treasury Benchmark: | 3.875% due May 15, 2018 |
| US Treasury Yield: | 3.864% |
| Spread to Treasury: | +297 basis points |
| Re-offer Yield: | 6.834% |
| Optional Redemption Terms: | Make-whole call at Treasury plus 50 basis points |
| Coupon: | 6.80% |
| Interest Payment Dates: | January 15 and July 15 of each year beginning January 15, 2009 |
| Format: | SEC Registered |
| Transaction Date: | May 15, 2008 |
| Expected Settlement Date: | May 20, 2008 |
| Joint Lead Managers: | Banc of America Securities LLC J.P. Morgan Securities Inc. Wachovia Capital Markets, LLC |
| Co-Managers: | BMO Capital Markets Corp. Commerzbank Capital Markets Corp. KeyBanc Capital Markets Inc. |

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Mizuho Securities USA Inc.

The issuer and guarantor have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling NiSource Inc. toll-free at 1-877-647-5990 or Banc of America Securities LLC toll-free at 1-800-294-1322, J.P. Morgan Securities Inc. at 212-834-4533 or Wachovia Capital Markets, LLC toll-free at 1-800-326-5897.