

ILLINOIS TOOL WORKS INC  
Form SC 13G  
February 21, 2007

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. )

NISOURCE INC.  
(Name of Issuer)

-----  
Common Stock  
(Title of Class of Securities)

-----  
65473P105  
(CUSIP Number)

-----  
December 30, 2006  
(Date of Event Which Requires Filing of this Statement)

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Check the appropriate box to designate the rule pursuant to  
which this Schedule is filed:

/x/ Rule 13d-1(b)  
/ / Rule 13d-1(c)  
/ / Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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 control number.

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1. Names of Reporting Persons and I.R.S. Identification No.

UBS AG (for the benefit and on behalf of the UBS Global Asset Management business group of UBS AG (see Item 7)

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2. Check the Appropriate Box if a Member of a Group

a / /  
b / / See Item 8 of attached schedule

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3. SEC USE ONLY  
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4. Citizenship or Place of Organization

Switzerland  
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|               |                             |            |
|---------------|-----------------------------|------------|
| Number of     | 5. Sole Voting Power        | 16,083,977 |
| Shares Bene-  | 6. Shared Voting Power      | 0          |
| fici-ally     | 7. Sole Dispositive Power   | 0          |
| Owned by Each | 8. Shared Dispositive Power | 18,856,071 |

Reporting  
Person With:  
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9. Aggregate Amount Beneficially Owned by Each Reporting  
Person:

18,856,071 shares\*  
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10. Check if the Aggregate Amount in Row 9 Excludes Certain  
Shares / /  
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11. Percent of Class Represented by Amount in Row 9  
6.9%  
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12. Type of Reporting Person

BK, HC  
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UBS AG disclaims beneficial ownership of such securities pursuant to Rule 13d-4 under the Securities Exchange Act of 1934. In accordance with SEC Release No. 34-395-538 (January 12, 1998), this filing reflects the securities beneficially owned by the UBS Global Asset Management business group of UBS AG and its subsidiaries and affiliates on behalf of its clients (collectively, UBS). This filing does not reflect securities, if any, beneficially owned by any other division or business group of UBS.

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Item 1(a). Name of Issuer:  
NISOURCE INC.

Item 1(b). Address of Issuer's Principal Executive Offices:

801 E 86th Avenue  
Merrillville IN 46410

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Item 2(a) Name of Persons Filing:  
UBS AG

Item 2(b) Address of Principal Business Office or, if none,  
Residence:

UBS AG's principal business office is:  
Bahnhofstrasse 45  
PO Box CH-8021  
Zurich, Switzerland

Item 2(c) Citizenship:  
Incorporated by reference to Item 4 of the cover pages.

Item 2(d) Title of Class of Securities:  
Common Stock (the "Common Stock")

Item 2(e) CUSIP Number:  
65473P105  
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Item 3. Type of Person Filing:

UBS AG is classified as a Bank as defined in section 3(a)(6)  
of the Act pursuant to no action relief granted by the staff  
of the Securities and Exchange Commission.  
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Item 4 (a)-(c)(iv). Ownership:  
Incorporated by reference to Items 5-11 of the cover pages.

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Item 5. Ownership of Five Percent or Less of a Class:

If this statement is being filed to report the fact that as  
of the date hereof the reporting person has ceased to be the  
beneficial owner of more than five percent of the class of  
securities, check the following / / .  
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Item 6. Ownership of More than Five Percent on Behalf of  
Another Person:

Accounts managed on a discretionary basis by the UBS Global  
Asset Management business group of UBS AG have the right to  
receive or the power to direct the receipt of dividends from,  
or the proceeds from the sale of, the Common Stock. To the  
best of our knowledge, no account holds more than 5 percent  
of the outstanding Common Stock.  
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Item 7. Identification and Classification of the Subsidiary  
Which Acquired the Security Being Reported on By the Parent  
Holding Company:

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Identification: UBS Global Asset Management (Americas) Inc.  
(UBS Global AM)  
Classification: IA

In addition to UBS and UBS Global AM, the following UBS affiliates and subsidiaries are part of the UBS Global Asset Management business group included in this filing: UBS Global Asset Management (US) Inc., UBS Global Asset Management Trust Company, UBS Global Asset Management International Limited, UBS Global Asset Management (Canada) Co., UBS International, Inc., UBS Global Asset Management (Australia) Ltd., UBS Global Asset Management (Hong Kong) Limited, UBS (Trust & Banking) Limited, UBS Global Asset Management (Japan) Ltd., UBS Global Asset Management (Singapore) Ltd., UBS Global Asset Management (Taiwan) Ltd., UBS Global Asset Management (France) SA, UBS Global Asset Management (Deutschland) GmbH, UBS Global Asset Management (Italia) Sim Spa, UBS Espana S.A., UBS Global Asset Management (UK) Ltd.

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Item 8 Identification and Classification of Members of the Group:

UBS AG is reporting direct and indirect beneficial ownership of holdings. None of the reporting persons affirm the existence of a group within the meaning of Rule 13d-5(b)(1).

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Item 9 Notice of Dissolution of Group:  
Not Applicable

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Item 10 Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 16, 2007

UBS AG

By: /s/ Thomas Madsen

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Thomas Madsen, Member GMB

By: /s/ Kai Sotorp  
Kai Sotorp, Member GMB

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