

INTEGRYS ENERGY GROUP, INC.

Form 4

February 12, 2013

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 *
KALLAS LINDA M

2. Issuer Name and Ticker or Trading Symbol
INTEGRYS ENERGY GROUP, INC. [TEG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
130 EAST RANDOLPH STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/09/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President & Corporate Co

CHICAGO, IL 60601

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

(City) (State) (Zip)

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/09/2013		M		119.3084	A	\$ 55.74
Common Stock	02/09/2013		F		44.9196	D	\$ 55.74
Common Stock	02/10/2013		M		128.5418	A	\$ 55.74
Common Stock	02/10/2013		F		48.3959	D	\$ 55.74
Common Stock							1,583.3656 (1)
						I	By Employee Stock Ownership

Common Stock	170.989 ⁽²⁾	I	Plan By PE Employee Stock Ownership Plan
Common Stock	488.2097 ⁽²⁾	I	By PE Capital Accumulation Plan

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

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(9-02)

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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Restricted Stock Units 2012	⁽³⁾	02/09/2013		M	119.3084	02/09/2013	02/09/2016	Common Stock
Restricted Stock Units 2011	⁽³⁾	02/10/2013		M	128.5418	02/10/2012	02/10/2015	Common Stock
Employee Stock Option (Right to buy)	\$ 58.65					05/17/2008 ⁽⁵⁾	05/17/2017	Common Stock
Employee Stock Option (Right to buy)	\$ 42.12					02/12/2010 ⁽⁵⁾	02/12/2019	Common Stock
Employee Stock Option (Right to buy)	\$ 41.58					02/11/2011 ⁽⁵⁾	02/11/2020	Common Stock

Employee Stock Option (Right to buy)	\$ 49.4	02/10/2012 ⁽⁵⁾	02/10/2021	Common Stock
Employee Stock Option (Right to buy)	\$ 53.24	02/09/2013 ⁽⁵⁾	02/09/2022	Common Stock
Performance Rights	\$ 0 ⁽⁶⁾	01/01/2013 ⁽⁶⁾	06/30/2013	Common Stock
Performance Rights	\$ 0 ⁽⁶⁾	01/01/2014 ⁽⁶⁾	06/30/2014	Common Stock
Performance Rights	\$ 0 ⁽⁶⁾	01/01/2015 ⁽⁶⁾	06/30/2015	Common Stock
Restricted Stock Units 2009	(3)	02/12/2010	02/12/2013	Common Stock
Restricted Stock Units 2010	(3)	02/11/2011	02/11/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KALLAS LINDA M 130 EAST RANDOLPH STREET CHICAGO, IL 60601			Vice President & Corporate Co	

Signatures

Dane E. Allen, as Power of Attorney for Ms. Kallas	02/12/2013
<small>**Signature of Reporting Person</small>	<small>Date</small>

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) Balance reflects shares pertaining to the September 20 and December 20, 2012 dividend and shares allocated on September 28 and December 31, 2012 in the Company's Employee Stock Ownership Plan.
- (2) Balance reflects dividend reinvestment shares purchased on September 20 and December 20, 2012.
- (3) Each restricted stock unit represent a contingent right to receive one share of Company common stock. The restricted stock units vest in four equal annual installments beginning on the exercisable date.
- (4) Balance also reflects the dividend paid on Restricted Stock Units and reinvested in additional Restricted Stock Units, under the Company's 2010 Omnibus Incentive Plan on September 20 and December 20, 2012.

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(5) The option vests in four equal annual installments beginning on the exercisable date.

Performance stock rights represent the right to receive shares of common stock of the Company, in the event certain performance goals

(6) are satisfied. These goals are based on Company performance against an established industry benchmark, over a three year performance period. The final award of shares issued can be between 0% and 200% of the target award.

(7) Balance reflects the dividend paid on Restricted Stock Units and reinvested in additional Restricted Stock Units, under the Company's 2010 Omnibus Incentive Plan on September 20 and December 20, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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