

VERBANAC DANIEL J

Form 4

July 16, 2012

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 *
VERBANAC DANIEL J

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)
1716 LAWRENCE DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/12/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Pres, Integrys Energy Services

DE PERE, WI 54115

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	07/12/2012		M	9,629 A \$ 48.36	10,304.9896	D	
Common Stock	07/12/2012		S	9,629 D \$ 57.95	675.9896 <u>(1)</u>	D	
Common Stock					5,787.0316	I	By Employee Stock Ownership 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)

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 Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Employee Stock Option (Right to buy)	\$ 48.36	07/12/2012		M	9,629	02/14/2009 ⁽²⁾	02/14/2018	Common Stock	
Employee Stock Option (Right to buy)	\$ 54.85					12/07/2006 ⁽²⁾	12/07/2015	Common Stock	
Employee Stock Option (Right to buy)	\$ 52.73					12/07/2007 ⁽²⁾	12/07/2016	Common Stock	
Employee Stock Option (Right to buy)	\$ 58.65					05/17/2008 ⁽²⁾	05/17/2017	Common Stock	
Employee Stock Option (Right to buy)	\$ 42.12					02/12/2010 ⁽²⁾	02/12/2019	Common Stock	
Employee Stock Option (Right to buy)	\$ 41.58					02/11/2011 ⁽²⁾	02/11/2020	Common Stock	
Employee Stock Option (Right to buy)	\$ 49.4					02/10/2012 ⁽²⁾	02/10/2021	Common Stock	

Employee Stock Option (Right to buy)	\$ 53.24	02/09/2013 ⁽²⁾	02/09/2022	Common Stock	
Performance Rights	\$ 0 ⁽³⁾	01/01/2013 ⁽³⁾	06/30/2013	Common Stock	
Performance Rights	\$ 0 ⁽³⁾	01/01/2014 ⁽³⁾	06/30/2014	Common Stock	
Performance Rights	\$ 0 ⁽³⁾	01/01/2015 ⁽³⁾	06/30/2015	Common Stock	
Phantom Stock Unit	⁽⁴⁾	⁽⁵⁾	⁽⁵⁾	Common Stock	22,
Restricted Stock Units 2009	⁽⁷⁾	02/12/2010	02/12/2013	Common Stock	5,
Restricted Stock Units 2010	⁽⁷⁾	02/11/2011	02/11/2014	Common Stock	1,
Restricted Stock Units 2011	⁽⁷⁾	02/10/2012	02/10/2015	Common Stock	1,4
Restricted Stock Units 2012	⁽⁷⁾	02/09/2013	02/09/2016	Common Stock	1,8

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VERBANAC DANIEL J 1716 LAWRENCE DRIVE DE PERE, WI 54115			Pres, Integrys Energy Services	

Signatures

Dane E. Allen, as Power of Attorney for Mr. Verbanac 07/16/2012

__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) Balance reflects dividend reinvestment shares purchased on June 20, 2012.

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

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- Performance stock rights represent the right to receive shares of common stock of the Company, in the event certain performance goals 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.
- (3) 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.
 - (4) These phantom stock units convert to common stock on a one-for-one basis.
 - (5) Unless the participant has selected a later commencement date, distribution of stock and equivalents will commence within 60 days following the end of the calendar year in which occurs the participant's retirement or termination of service.
 - (6) Balance also reflects dividends paid on Phantom Stock Units and reinvested in additional Phantom Stock Units, under the Company's Deferred Compensation Plan on June 20, 2012.
 - (7) 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.
 - (8) 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 June 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. 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.