

Schott James F.
Form 4
March 12, 2012

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
Schott James F.

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
Vice Pres - External Affairs

(Last) (First) (Middle)
700 NORTH ADAMS STREET, P. O. BOX 19001
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2012

GREEN BAY, WI 54307-9001

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 Ownership (Instr. 4)
				Code V Amount (D) Price (A) or (D)			
Common Stock	03/09/2012		M	1,694 A \$ 48.11	2,650.1689	D	
Common Stock	03/09/2012		S	1,694 D \$ 53.5	956.1689	D	
Common Stock					2,038.6561	I	By ESOP
Common Stock					523.575	I	by Spouse

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)	\$ 48.11 <u>(1)</u>	03/09/2012		M	1,694	12/08/2005 12/08/2014	Common Stock
Employee Stock Option (Right to buy)	\$ 41.58 <u>(2)</u>					02/11/2011 02/11/2020	Common Stock
Employee Stock Option (Right to buy)	\$ 42.12 <u>(3)</u>					02/12/2010 02/12/2019	Common Stock
Employee Stock Option (Right to buy)	\$ 44.73					12/10/2004 12/10/2013	Common Stock
Employee Stock Option (Right to buy)	\$ 48.36 <u>(4)</u>					02/14/2009 02/14/2018	Common Stock
Employee Stock Option (Right to buy)	\$ 49.4 <u>(5)</u>					02/10/2012 02/10/2021	Common Stock
Employee Stock Option (Right to buy)	\$ 52.73 <u>(6)</u>					12/07/2007 12/07/2016	Common Stock

Employee Stock Option (Right to buy)	\$ 53.24 <u>(7)</u>	02/09/2013	02/09/2022	Common Stock	
Employee Stock Option (Right to buy)	\$ 54.85 <u>(8)</u>	12/07/2006	12/07/2015	Common Stock	
Employee Stock Option (Right to buy)	\$ 58.65 <u>(9)</u>	05/17/2008	05/17/2017	Common Stock	
Performance Rights	\$ 0 <u>(10)</u>	01/01/2013 ⁽¹⁰⁾	06/30/2013	Common Stock	
Performance Rights	\$ 0 <u>(10)</u>	01/01/2014 ⁽¹⁰⁾	06/30/2014	Common Stock	
Performance Rights	\$ 0 <u>(10)</u>	01/01/2015 ⁽¹⁰⁾	06/30/2015	Common Stock	
Phantom Stock Unit	<u>(11)</u>	<u>(12)</u>	<u>(12)</u>	Common Stock	4,
Restricted Stock Units 2009	<u>(13)</u>	<u>(14)</u>	<u>(14)</u>	Common Stock	1
Restricted Stock Units 2010	<u>(13)</u>	<u>(15)</u>	<u>(15)</u>	Common Stock	2
Restricted Stock Units 2011	<u>(13)</u>	<u>(16)</u>	<u>(16)</u>	Common Stock	6
Restricted Stock Units 2012	<u>(13)</u>	<u>(17)</u>	<u>(17)</u>	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schott James F. 700 NORTH ADAMS STREET P. O. BOX 19001 GREEN BAY, WI 54307-9001			Vice Pres - External Affairs	

Signatures

By: Dane E. Allen, as Power of Attorney For: Mr.
Schott

03/12/2012

__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) The option vests in four equal annual installments beginning on December 8, 2005.
- (2) The option vests in four equal annual installments beginning on February 11, 2011.
- (3) The option vests in four equal annual installments beginning on February 12, 2010.
- (4) The option vests in four equal annual installments beginning on February 14, 2009.
- (5) The option vests in four equal annual installments beginning on February 10, 2012.
- (6) The option vests in four equal annual installments beginning on December 7, 2007.
- (7) The option vests in four equal annual installments beginning on February 9, 2013.
- (8) The option vests in four equal annual installments beginning on December 7, 2006.
- (9) The option vests in four equal annual installments beginning on May 17, 2008.

- (10) 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.
- (11) These phantom stock units convert to common stock on a one-for-one basis.
- (12) 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.
- (13) Each restricted stock unit represent a contingent right to receive one share of Company common stock.
- (14) The restricted stock units vest in four equal annual installments beginning on February 12, 2010.
- (15) The restricted stock units vest in four equal annual installments beginning on February 11, 2011.
- (16) The restricted stock units vest in four equal annual installments beginning on February 10, 2012.
- (17) The restricted stock units vest in four equal annual installments beginning on February 9, 2013.

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.