

Schott James F.
Form 4
February 12, 2013

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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)

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

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP & CFO

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | Code V Amount (A) or (D) Price | | | |
| Common Stock | 02/09/2013 | | M | 209.9722 A \$ 55.74 | 209.9722 | D | |
| Common Stock | 02/09/2013 | | F | 84.8288 D \$ 55.74 | 125.1434 | D | |
| Common Stock | 02/10/2013 | | M | 226.0714 A \$ 55.74 | 351.2148 | D | |
| Common Stock | 02/10/2013 | | F | 97.333 D \$ 55.74 | 253.8818 | D | |
| Common Stock | | | | | 2,383.3551 (1) | I | By Employee |

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| | | |
|--------------|---------------------------|-----------------------------------|
| Common Stock | 550.3857 ⁽²⁾ I | Stock Ownership Plan By Spouse |
|--------------|---------------------------|-----------------------------------|

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

Persons who 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.

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 Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Restricted Stock Units 2012 | <u>(3)</u> | 02/09/2013 | | M | 209.9722 | 02/09/2013 | 02/09/2016 | Common Stock |
| Restricted Stock Units 2011 | <u>(3)</u> | 02/10/2013 | | M | 226.0714 | 02/10/2012 | 02/10/2015 | 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) | \$ 42.12 | | | | | 02/12/2010 ⁽⁵⁾ | 02/12/2019 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 48.11 | | | | | 12/08/2005 ⁽⁵⁾ | 12/08/2014 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 48.36 | | | | | 02/14/2009 ⁽⁵⁾ | 02/14/2018 | 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) | \$ 52.73 | 12/07/2007 ⁽⁵⁾ | 12/07/2016 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 53.24 | 02/09/2013 ⁽⁵⁾ | 02/09/2022 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 54.85 | 12/07/2006 ⁽⁵⁾ | 12/07/2015 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 58.65 | 05/17/2008 ⁽⁵⁾ | 05/17/2017 | 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 |
| Phantom Stock Unit | ⁽⁷⁾ | ⁽⁸⁾ | ⁽⁸⁾ | 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 |
| Schott James F. 700 NORTH ADAMS STREET P. O. BOX 19001 GREEN BAY, WI 54307-9001 | | | VP & CFO | |

Signatures

Dane E. Allen, as Power of Attorney for Mr.
Schott

02/12/2013

__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 shares pertaining to the June 20, September 20 and December 20, 2012 dividend and shares allocated on June 29 and September 28, 2012 in the Company's Employee Stock Ownership Plan.
- (2) Balance reflects dividend reinvestment shares purchased on June 20, 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 June 20, September 20 and December 20, 2012.
- (5) The option vests in four equal annual installments beginning on the exercisable date.
- (6) 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.
- (7) These phantom stock units convert to common stock on a one-for-one basis.
- (8) Upon retirement or termination of service, distribution of phantom stock units will commence in January of the year that is both (1) following the calendar year in which service terminates with the Company, and (2) at least six months following termination, or later if the participant selected a later date.
- (9) Balance reflects dividends paid on phantom stock units and reinvested in additional phantom stock units, under the Company's Deferred Compensation Plan on June 20, September 20 and December 20, 2012.
- (10) 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, 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. 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.