

O LEARY JOSEPH P
 Form 4
 September 09, 2010

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 *
 O LEARY JOSEPH P

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 DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/08/2010

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

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	09/08/2010		M		7,860	A	\$ 37.96
					8,943.998		
Common Stock	09/08/2010		S		7,860	D	\$ 49.665
					1,083.998		
Common Stock	09/08/2010		M		9,921	A	\$ 37.96
					11,004.998		
Common Stock	09/08/2010		S		9,921	D	\$ 49.7544
					1,083.998		
Common Stock					1,931.2365	I	By ESOP

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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 Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am Nu Sha
Employee Stock Option (Right to buy)	\$ 37.96	09/08/2010		M	7,860	12/12/2003	12/12/2012	Common Stock	
Employee Stock Option (Right to buy)	\$ 37.96	09/08/2010		M	9,921	12/12/2003	12/12/2012	Common Stock	
Employee Stock Option (Right to buy)	\$ 41.58 <u>(1)</u>					02/11/2011	02/11/2020	Common Stock	
Employee Stock Option (Right to buy)	\$ 42.12 <u>(2)</u>					02/12/2010	02/12/2019	Common Stock	
Employee Stock Option (Right to buy)	\$ 44.73 <u>(3)</u>					12/10/2004	12/10/2013	Common Stock	
Employee Stock Option (Right to buy)	\$ 48.11 <u>(4)</u>					12/08/2005	12/08/2014	Common Stock	
Employee Stock Option (Right to buy)	\$ 48.36 <u>(5)</u>					02/14/2009	02/14/2018	Common Stock	

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 February 11, 2011.
- (2) The option vests in four equal annual installments beginning on February 12, 2010.
- (3) The option vests in four equal annual installments beginning on December 10, 2004.
- (4) The option vests in four equal annual installments beginning on December 8, 2005.
- (5) The option vests in four equal annual installments beginning on February 14, 2009.
- (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 December 7, 2006.
- (8) The option vests in four equal annual installments beginning on May 17, 2008.
- (9) Performance rights vest and are issued three years after the performance rights are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
- (10) Performance rights vest and are issued three years after the performance rights are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
- (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) 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.
- (14) Each restricted stock unit represent a contingent right to receive one share of TEG common stock.
- (15) The restricted stock units vest in four equal annual installments beginning on February 14, 2009.
- (16) The restricted stock units vest in four equal annual installments beginning on February 12, 2010.
- (17) The restricted stock units vest in four equal annual installments beginning on February 11, 2011.

Remarks:

Table I, Line 5 reflects shares pertaining to March 22 and June 21, 2010 dividends in the Company's ESOP; and shares allocated

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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