

INTEGRYS ENERGY GROUP, INC.

Form 4

February 18, 2014

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 *
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)
02/14/2014

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 02/14/2014 | | M | | 149.0378 | A | \$ 55.69 |
| Common Stock | 02/14/2014 | | F | | 56.1129 | D | \$ 55.69 |
| Common Stock | | | | | 1,888.3647 | I | |
| Common Stock | | | | | 179.4544 | I | |

By Employee Stock Ownership Plan
By PE Employee Stock

| | | | |
|--------------|----------|---|---|
| Common Stock | 510.9897 | I | Ownership Plan 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 2013 | (1) | 02/14/2014 | | M | 149.0378 | 02/14/2014 | 02/14/2017 | 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) | \$ 42.12 | | | | | 02/12/2010 ⁽²⁾ | 02/12/2019 | 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 |
| Employee Stock Option (Right to buy) | \$ 58.65 | | | | | 05/17/2008 ⁽²⁾ | 05/17/2017 | Common Stock |

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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 reported target award.

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.