

Schott James F.
Form 4
February 22, 2013

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 *
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)
130 EAST RANDOLPH STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/20/2013

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

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 | 02/20/2013 | | M | 1,762 A \$ 56.47 | 2,178.5463 | D | |
| Common Stock | 02/20/2013 | | F | 620.8594 D \$ 56.47 | 1,557.6869 (1) | D | |
| Common Stock | | | | | 2,383.3551 | I | By Employee Stock Ownership Plan |
| Common Stock | | | | | 550.3857 | I | By Spouse |

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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 Amount Number of Shares |
| Performance Rights | \$ 0 ⁽²⁾ | 02/20/2013 | | M | 1,355 | 01/01/2013 ⁽²⁾ 06/30/2013 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 41.58 | | | | | 02/11/2011 ⁽³⁾ 02/11/2020 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 42.12 | | | | | 02/12/2010 ⁽³⁾ 02/12/2019 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 48.11 | | | | | 12/08/2005 ⁽³⁾ 12/08/2014 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 48.36 | | | | | 02/14/2009 ⁽³⁾ 02/14/2018 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 49.4 | | | | | 02/10/2012 ⁽³⁾ 02/10/2021 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 52.73 | | | | | 12/07/2007 ⁽³⁾ 12/07/2016 | Common Stock |
| | \$ 53.24 | | | | | 02/09/2013 ⁽³⁾ 02/09/2022 | |

| | | | | | |
|--------------------------------------|---------------------|--|---------------------------|----------------|------------------|
| Employee Stock Option (Right to buy) | | | | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 54.85 | | 12/07/2006 ⁽³⁾ | 12/07/2015 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 58.65 | | 05/17/2008 ⁽³⁾ | 05/17/2017 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 56 | | 02/14/2014 ⁽³⁾ | 02/14/2023 | Common Stock |
| Performance Rights | \$ 0 ⁽²⁾ | | 01/01/2016 ⁽²⁾ | 06/30/2016 | Common Stock |
| Performance Rights | \$ 0 ⁽²⁾ | | 01/01/2014 ⁽²⁾ | 06/30/2014 | Common Stock |
| Performance Rights | \$ 0 ⁽²⁾ | | 01/01/2015 ⁽²⁾ | 06/30/2015 | Common Stock |
| Phantom Stock Unit | ⁽⁴⁾ | | ⁽⁵⁾ | ⁽⁵⁾ | Common Stock 4,4 |
| Restricted Stock Units 2010 | ⁽⁶⁾ | | 02/11/2011 | 02/11/2014 | Common Stock 12 |
| Restricted Stock Units 2011 | ⁽⁶⁾ | | 02/10/2012 | 02/10/2015 | Common Stock 45 |
| Restricted Stock Units 2012 | ⁽⁶⁾ | | 02/09/2013 | 02/09/2016 | Common Stock 62 |
| Restricted Stock Units 2013 | ⁽⁶⁾ | | 02/14/2014 | 02/14/2017 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------|-------|
| | Director | 10% Owner | Officer | Other |
| Schott James F. 130 EAST RANDOLPH STREET | | | VP & CFO | |

CHICAGO, IL 60601

Signatures

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

02/22/2013

__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) Due to a clerical error, 97.333 shares were previously reported as being withheld for taxes in connection with the 2/10/2013 vesting of restricted stock units. The balance reflects the correct number of withheld shares, that being 91.333.

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.
- (2) The option vests in four equal annual installments beginning on the exercisable date.
- (3) These phantom stock units convert to common stock on a one-for-one basis.

Upon retirement or termination of service, distribution of phantom stock units will commence in January of the year that is both (1)
- (4) 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.
- (5) 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.
- (6)

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.