

INTEGRYS ENERGY GROUP, INC.

Form 4

October 30, 2014

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)
200 EAST RANDOLPH STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/28/2014

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Exec 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	10/28/2014		M ⁽¹⁾	6,320 A \$ 48.36	7,446.3884	D	
Common Stock	10/28/2014		S ⁽¹⁾	6,320 D \$ 70.8	1,126.3884	D	
Common Stock					3,054.1821 ⁽²⁾	I	By Employee Stock Ownership Plan
Common Stock					595.9859 ⁽³⁾	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 of Underlying Shares
Employee Stock Option (Right to buy)	\$ 48.36	10/28/2014		M ⁽¹⁾	6,320	02/14/2009 ⁽⁴⁾ 02/14/2018		Common Stock	
Employee Stock Option (Right to buy)	\$ 49.4					02/10/2012 ⁽⁴⁾ 02/10/2021		Common Stock	
Employee Stock Option (Right to buy)	\$ 52.73					12/07/2007 ⁽⁴⁾ 12/07/2016		Common Stock	
Employee Stock Option (Right to buy)	\$ 53.24					02/09/2013 ⁽⁴⁾ 02/09/2022		Common Stock	
Employee Stock Option (Right to buy)	\$ 54.85					12/07/2006 ⁽⁴⁾ 12/07/2015		Common Stock	
Employee Stock Option (Right to buy)	\$ 58.65					05/17/2008 ⁽⁴⁾ 05/17/2017		Common Stock	
Employee Stock Option (Right to buy)	\$ 56					02/14/2014 ⁽⁴⁾ 02/14/2023		Common Stock	

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- (3) Balance reflects dividend reinvestment shares purchased on a quarterly basis.
- (4) The option vests in four equal annual installments beginning on the exercisable date.
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.
- (6) 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) 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.
- (8) Balance reflects quarterly dividends paid on phantom stock units and reinvested in additional phantom stock units, under the Company's Deferred Compensation Plan.
- (9) 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.
- (10) Balance reflects quarterly dividends paid on restricted stock units and reinvested in additional restricted stock units, under the Company's Omnibus Incentive Plans.

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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