

VERBANAC DANIEL J
Form 4
July 20, 2012

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 *
VERBANAC DANIEL J

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)
1716 LAWRENCE DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/19/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Pres, Integrys Energy Services

DE PERE, WI 54115

(City) (State) (Zip)

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

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 | 07/19/2012 | | M | | 2,078 | A | \$ 48.36 |
| Common Stock | 07/19/2012 | | S | | 2,078 | D | \$ 59.95 |
| Common Stock | | | | | 5,787.0316 | I | |

By
Employee
Stock
Ownership
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 Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Stock Option (Right to buy) | \$ 48.36 | 07/19/2012 | | M | 2,078 | 02/14/2009 ⁽¹⁾ 02/14/2018 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 54.85 | | | | | 12/07/2006 ⁽¹⁾ 12/07/2015 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 52.73 | | | | | 12/07/2007 ⁽¹⁾ 12/07/2016 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 58.65 | | | | | 05/17/2008 ⁽¹⁾ 05/17/2017 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 42.12 | | | | | 02/12/2010 ⁽¹⁾ 02/12/2019 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 41.58 | | | | | 02/11/2011 ⁽¹⁾ 02/11/2020 | Common Stock |
| Employee Stock Option (Right to buy) | \$ 49.4 | | | | | 02/10/2012 ⁽¹⁾ 02/10/2021 | Common Stock |

| | | | | | |
|--------------------------------------|---------------------|---------------------------|----------------|--------------|-----|
| Employee Stock Option (Right to buy) | \$ 53.24 | 02/09/2013 ⁽¹⁾ | 02/09/2022 | Common Stock | |
| Performance Rights | \$ 0 ⁽²⁾ | 01/01/2013 ⁽²⁾ | 06/30/2013 | 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 | ⁽³⁾ | ⁽⁴⁾ | ⁽⁴⁾ | Common Stock | 22, |
| Restricted Stock Units 2009 | ⁽⁵⁾ | 02/12/2010 | 02/12/2013 | Common Stock | 5, |
| Restricted Stock Units 2010 | ⁽⁵⁾ | 02/11/2011 | 02/11/2014 | Common Stock | 1, |
| Restricted Stock Units 2011 | ⁽⁵⁾ | 02/10/2012 | 02/10/2015 | Common Stock | 1,4 |
| Restricted Stock Units 2012 | ⁽⁵⁾ | 02/09/2013 | 02/09/2016 | Common Stock | 1,8 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| VERBANAC DANIEL J 1716 LAWRENCE DRIVE DE PERE, WI 54115 | | | Pres, Integrys Energy Services | |

Signatures

Dane E. Allen, as Power of Attorney for Mr. Verbanac 07/20/2012

**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) The option vests in four equal annual installments beginning on the exercisable date.
- (2) 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

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period. The final award of shares issued can be between 0% and 200% of the target award.

- (3) These phantom stock units convert to common stock on a one-for-one basis.
- (4) 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.
- (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.

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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