

BALAKRISHNAN BALU

Form 4/A

March 24, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
BALAKRISHNAN BALU

2. Issuer Name **and** Ticker or Trading
 Symbol
POWER INTEGRATIONS INC
[POWI]

5. Relationship of Reporting Person(s) to
 Issuer

(Check all applicable)

(Last) (First) (Middle)

5245 HELLYER AVE

(Street)

SAN JOSE, CA 95138

(City) (State) (Zip)

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/21/2006

4. If Amendment, Date Original
 Filed(Month/Day/Year)
 03/23/2006

____ Director ____ 10% Owner
 ____X____ Officer (give title below) ____ Other (specify below)
 President and CEO

6. Individual or Joint/Group Filing(Check
 Applicable Line)
 ____X____ 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	03/21/2006		M		0 <u>(1)</u>	A \$ 0	232,752 I by Trust
Common Stock	03/21/2006		S		0 <u>(1)</u>	D \$ 0 <u>(1)</u>	232,752 I by Trust
Common Stock	03/23/2006		M		0 <u>(1)</u>	A \$ 0	232,752 I by Trust
Common Stock	03/23/2006		S		0 <u>(1)</u>	D \$ 0 <u>(1)</u>	232,752 I by Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(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 Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 14.2188	03/21/2006		M		<u>0</u> <u>(1)</u>		<u>(1)</u>	04/20/2009	Common Stock	0 <u>(1)</u>
Non-Qualified Stock Option (right to buy)	\$ 14.2188	03/23/2006		M		0		<u>(1)</u>	04/20/2009	Common Stock	0 <u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
BALAKRISHNAN BALU 5245 HELLYER AVE SAN JOSE, CA 95138	President and CEO

Signatures

By: /s/ Robert Lelieur Attorney-In-Fact For: Balu
Balakrishnan

03/24/2006

__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 transactions reported for March 21 and March 23 have been reversed.

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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