

INTEGRYS ENERGY GROUP, INC.

Form 4

November 12, 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 *
MORROW WILLIAM E

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)
11/07/2014

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive VP, Gas Segment

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 or Price		
Common Stock	11/07/2014		M		1,505 A \$ 53.24	4,505.095	D
Common Stock	11/07/2014		M		678 A \$ 49.4	5,183.095	D
Common Stock	11/07/2014		M		5,041 A \$ 55.23	10,224.095	D
Common Stock	11/07/2014		M		2,558 A \$ 56	12,782.095	D
Common Stock	11/07/2014		S		1,505 D \$ 71.873 <u>(1)</u>	11,277.095	D

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Common Stock	11/07/2014	S	678	D	\$ 71.8701 (2)	10,599.095	D
Common Stock	11/07/2014	S	5,041	D	\$ 71.9293 (3)	5,558.095	D
Common Stock	11/07/2014	S	2,558	D	\$ 71.8495 (4)	3,000.095	D

Common Stock						2,149.1059 (5)	I	By Employee Stock Ownership Plan
Common Stock						1,639.3211 (6)	I	By PE Employee Stock Ownership Plan
Common Stock						1,913.3403 (6)	I	By 401(k) Plan for Administrative Employees

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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
Employee Stock Option (Right to buy)	\$ 53.24	11/07/2014		M	1,505	02/09/2013(7)	02/09/2022	Common Stock	1

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 weighted average sale price reflects multiple transactions at prices ranging from \$71.855 - \$71.905.
- (2) The weighted average sale price reflects multiple transactions at prices ranging from \$71.84 - \$71.895.
- (3) The weighted average sale price reflects multiple transactions at prices ranging from \$71.745 - \$72.005.
- (4) The weighted average sale price reflects multiple transactions at prices ranging from \$71.745 - \$71.955.
- (5) Balance reflects shares pertaining to the quarterly dividend and periodic earnings adjustments and share allocations under the Company's Employee Stock Ownership Plan.
- (6) Balance reflects dividend reinvestment shares purchased on a quarterly basis.
- (7) Effective October 24, 2014, the Board of Directors accelerated the vesting of all the outstanding stock options, and all outstanding stock options are now fully vested.

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.
- (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 the quarterly dividend 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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