

O LEARY JOSEPH P
Form 4
December 11, 2007

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

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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 *
O LEARY JOSEPH P

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 E. RANDOLPH DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/10/2007

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

CHICAGO, IL 60601

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 12/10/2007 | | F | 95 | D \$ 51.87 | 565.587 ⁽¹⁾ | D |
| Common Stock | | | | | | 771.9441 | I By ESOP |

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

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SEC 1474 (9-02)

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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 Number Shares |
| Employee Stock Option (Right to buy) | \$ 34.09 <u>(2)</u> | | | | | 12/13/2002 | 12/13/2011 | Common Stock | 11, |
| Employee Stock Option (Right to buy) | \$ 37.96 <u>(3)</u> | | | | | 12/12/2003 | 12/12/2012 | Common Stock | 17, |
| Employee Stock Option (Right to buy) | \$ 44.73 <u>(4)</u> | | | | | 12/10/2004 | 12/10/2013 | Common Stock | 17, |
| Employee Stock Option (Right to buy) | \$ 48.11 <u>(5)</u> | | | | | 12/08/2005 | 12/08/2014 | Common Stock | 23, |
| Employee Stock Option (Right to buy) | \$ 52.73 <u>(6)</u> | | | | | 12/07/2007 | 12/07/2016 | Common Stock | 25, |
| Employee Stock Option (Right to buy) | \$ 54.85 <u>(7)</u> | | | | | 12/07/2006 | 12/07/2015 | Common Stock | 23, |
| Employee Stock Option (Right to buy) | \$ 58.65 <u>(8)</u> | | | | | 05/17/2008 | 05/17/2017 | Common Stock | 21, |
| Performance Rights | \$ 0 <u>(9)</u> | | | | | 01/01/2008 ⁽¹⁰⁾ | 06/30/2008 | Common Stock | 2, |
| Performance | \$ 0 <u>(9)</u> | | | | | 01/01/2009 ⁽¹⁰⁾ | 06/30/2009 | Common | 3, |

| Rights | | | | Stock | |
|--------------------|----------------------|----------------------------|-----------------|--------------|-------|
| Performance Rights | \$ 0 ⁽¹¹⁾ | 12/31/2009 ⁽¹¹⁾ | 03/31/2010 | Common Stock | 3, |
| Performance Rights | \$ 0 ⁽⁹⁾ | 01/01/2010 ⁽¹⁰⁾ | 06/30/2010 | Common Stock | 3, |
| Phantom Stock Unit | ⁽¹²⁾ | ⁽¹³⁾ | ⁽¹⁴⁾ | Common Stock | 19,34 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| O LEARY JOSEPH P 130 E. RANDOLPH DRIVE CHICAGO, IL 60601 | | | Sr VP & Chf Financial Officer | |

Signatures

By: Barth J. Wolf, as Power of Attorney For: Mr.
O'Leary 12/11/2007

__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) Reflects sale of shares to satisfy tax payment for vested shares of Restricted Stock granted under the Company's 2005 Omnibus Incentive Compensation Plan.
 - (2) The option vests in four equal annual installments beginning on December 13, 2002.
 - (3) The option vests in four equal annual installments beginning on December 12, 2003.
 - (4) The option vests in four equal annual installments beginning on December 10, 2004.
 - (5) The option vests in four equal annual installments beginning on December 8, 2005.
 - (6) The option vests in four equal annual installments beginning on December 7, 2007.
 - (7) The option vests in four equal annual installments beginning on December 7, 2006.
 - (8) The option vests in four equal annual installments beginning on May 17, 2008.
 - (9) Performance shares vest and are issued three years after the performance shares are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
 - (10) Performance shares vest and are issued three years after the performance shares are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
 - (11) The final number of shares issued will be based on company performance against an established industry benchmark for the performance period April 1, 2007, to December 31, 2009.
 - (12) These phantom stock units convert to common stock on a one-for-one basis.
 - (13) 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.
 - (14) 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.

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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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