

POWER INTEGRATIONS INC

Form 4

October 26, 2007

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 *
BALAKRISHNAN BALU

(Last) (First) (Middle)

**C/O POWER
INTEGRATIONS, 5245 HELLYER
AVE**

(Street)

SAN JOSE, CA 95138

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
10/24/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	10/24/2007		M		500	A \$ 14.82	4,852	D	
Common Stock	10/24/2007		S		500	D \$ 31.37	4,352	D	
Common Stock	10/24/2007		M		430	A \$ 14.82	4,782	D	
Common Stock	10/24/2007		S		430	D \$ 31.05	4,352	D	
	10/24/2007		M		70	A	4,422	D	

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Common Stock						\$ 14.82		
Common Stock	10/24/2007	S	70	D		\$ 31.05	4,352	D
Common Stock	10/24/2007	M	340	A		\$ 14.82	4,692	D
Common Stock	10/24/2007	S	340	D		\$ 31.02	4,352	D
Common Stock	10/24/2007	M	500	A		\$ 14.82	4,852	D
Common Stock	10/24/2007	S	500	D		\$ 31	4,352	D
Common Stock	10/24/2007	M	160	A		\$ 14.82	4,512	D
Common Stock	10/24/2007	S	160	D		\$ 30.84	4,352	D

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)	\$ 14.82	10/24/2007		M	<u>500</u> (1)	02/21/2002	02/21/2012	Common Stock	500
Non-Qualified Stock Option (right to buy)	\$ 14.82	10/24/2007		M	<u>430</u> (1)	02/21/2002	02/21/2012	Common Stock	430

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Non-Qualified Stock Option (right to buy)	\$ 14.82	10/24/2007	M	<u>70</u> (1)	02/21/2002	02/21/2012	Common Stock	70
Non-Qualified Stock Option (right to buy)	\$ 14.82	10/24/2007	M	<u>340</u> (1)	02/21/2002	02/21/2012	Common Stock	340
Non-Qualified Stock Option (right to buy)	\$ 14.82	10/24/2007	M	<u>500</u> (1)	02/21/2002	02/21/2012	Common Stock	500
Non-Qualified Stock Option (right to buy)	\$ 14.82	10/24/2007	M	<u>160</u> (1)	02/21/2002	02/21/2012	Common Stock	160

Reporting Owners

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

Signatures

By: /s/ Rafael Torres Attorney-In-Fact For: Balu
Balakrishnan

10/26/2007

__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) This sale is pursuant to a 10B5-1 Sales Plan

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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