

BORGARD LAWRENCE T
 Form 4
 February 18, 2011

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 *
 BORGARD LAWRENCE T

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)

3. Date of Earliest Transaction (Month/Day/Year)
 02/16/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Pres & COO - Utilities, subs

700 NORTH ADAMS STREET, P.O. BOX 19001

(Street)

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

GREEN BAY, WI 54307-9001

(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 Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|--------------------------|---|---------|
| | | | | (A) or (D) | Price | | | | | |
| | | | | Code | V | Amount | | | | |
| Common Stock | 02/16/2011 | | M | | 6,868 | A | \$ 48.88 | 12,286.396 | D | |
| Common Stock | 02/16/2011 | | F | | 2,349 | D | \$ 48.88 | 9,937.396 ⁽¹⁾ | D | |
| Common Stock | | | | | | | | 4,258.2912 | 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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-----------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am Nu Sha |
| Performance Rights | \$ 0 ⁽²⁾ | 02/16/2011 | | M | 5,539 | 01/01/2011 ⁽²⁾ | 06/30/2011 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 41.58 ⁽³⁾ | | | | | 02/11/2011 | 02/11/2020 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 42.12 ⁽⁴⁾ | | | | | 02/12/2010 | 02/12/2019 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 44.73 ⁽⁵⁾ | | | | | 12/10/2004 | 12/10/2013 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 48.11 ⁽⁶⁾ | | | | | 12/08/2005 | 12/08/2014 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 48.36 ⁽⁷⁾ | | | | | 02/14/2009 | 02/14/2018 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 49.4 ⁽⁸⁾ | | | | | 02/10/2012 | 02/10/2021 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 52.73 ⁽⁹⁾ | | | | | 12/07/2007 | 12/07/2016 | Common Stock | |

| | | | | | |
|---|-------------------------|----------------------------|-------------|-----------------|----|
| Employee Stock Option (Right to buy) | \$ 54.85 <u>(10)</u> | 12/07/2006 | 12/07/2015 | Common Stock | |
| Employee Stock Option (Right to buy) | \$ 58.65 <u>(11)</u> | 05/17/2008 | 05/17/2017 | Common Stock | |
| Performance Rights | \$ 0 <u>(2)</u> | 01/01/2012 ⁽¹²⁾ | 06/30/2012 | Common Stock | |
| Performance Rights | \$ 0 <u>(2)</u> | 01/01/2013 ⁽¹²⁾ | 06/30/2013 | Common Stock | |
| Performance Rights | \$ 0 <u>(2)</u> | 01/01/2014 ⁽²⁾ | 06/30/2014 | Common Stock | |
| Phantom Stock Unit | <u>(13)</u> | <u>(14)</u> | <u>(15)</u> | Common Stock | 24 |
| Restricted Stock Units 2008 | <u>(16)</u> | <u>(17)</u> | <u>(17)</u> | Common Stock | |
| Restricted Stock Units 2009 | <u>(16)</u> | <u>(18)</u> | <u>(18)</u> | Common Stock | |
| Restricted Stock Units 2010 | <u>(16)</u> | <u>(19)</u> | <u>(19)</u> | Common Stock | 2 |
| Restricted Stock Units 2011 | <u>(16)</u> | <u>(20)</u> | <u>(20)</u> | Common Stock | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BORGARD LAWRENCE T 700 NORTH ADAMS STREET P.O. BOX 19001 GREEN BAY, WI 54307-9001 | | | Pres & COO - Utilities, subs | |

Signatures

By: Dane E. Allen, as Power of Attorney For: Mr.
Borgard

02/18/2011

 **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).
- Reflects the withholding of shares to satisfy tax payment for Performance Shares paid out under the Company's 2007 Omnibus Incentive Compensation Plan. Under the terms of the plan, the fair market value of any fractional shares of common stock not used to satisfy the withholding obligation will be paid in cash at the time the Performance Shares are settled.
- (1) 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 target award.
- (2) The option vests in four equal annual installments beginning on February 11, 2011.
- (3) The option vests in four equal annual installments beginning on February 12, 2010.
- (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 February 14, 2009.
- (7) The option vests in four equal annual installments beginning on February 10, 2012.
- (8) The option vests in four equal annual installments beginning on December 7, 2007.
- (9) The option vests in four equal annual installments beginning on December 7, 2006.
- (10) The option vests in four equal annual installments beginning on May 17, 2008.
- 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 target award.
- (12) These phantom stock units convert to common stock on a one-for-one basis.
- (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.
- (15) 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.
- (16) Each restricted stock unit represent a contingent right to receive one share of Company common stock.
- (17) The restricted stock units vest in four equal annual installments beginning on February 14, 2009.
- (18) The restricted stock units vest in four equal annual installments beginning on February 12, 2010.
- (19) The restricted stock units vest in four equal annual installments beginning on February 11, 2011.
- (20) The restricted stock units vest in four equal annual installments beginning on February 10, 2012.

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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