

INTEGRYS ENERGY GROUP, INC.

Form 424B5

August 12, 2013

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-183172

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated August 12, 2013

PROSPECTUS SUPPLEMENT

(To Prospectus Dated August 9, 2012)

\$

INTEGRYS ENERGY GROUP, INC.

% Junior Subordinated Notes Due 2073

The % Junior Subordinated Notes Due 2073 (sometimes referred to as the Junior Subordinated Notes) will bear interest at a fixed rate of % per year until August 1, 2023. Beginning August 1, 2023, the Junior Subordinated Notes will bear interest at a floating rate based on the Three-Month LIBOR Rate plus basis points (%), reset quarterly. Interest will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, beginning on November 1, 2013. The Junior Subordinated Notes will be issued in registered form and in denominations of \$25 and integral multiples in excess thereof. The Junior Subordinated Notes will mature on August 1, 2073.

We may defer interest payments on the securities on one or more occasions for up to 40 consecutive quarterly periods as described in this prospectus supplement. Deferred interest payments will accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, compounded quarterly, to the extent permitted by applicable law.

We may redeem the Junior Subordinated Notes at our option at the times and the prices described in this prospectus supplement.

The Junior Subordinated Notes are a new issue of securities with no established trading market. We intend to apply to list the Junior Subordinated Notes on the New York Stock Exchange under the symbol . If the application is approved, we expect trading in the Junior Subordinated Notes to begin within 30 days after the date that the Junior Subordinated Notes are first issued.

Investing in the Junior Subordinated Notes involves risks. See Risk Factors on page S-6 of this prospectus supplement.

	Price to Public (1)	Underwriting Discount	Proceeds to Us before Expenses (1)
Per Junior Subordinated Note	\$	\$	\$
Total (2)(3)	\$	\$	\$

- (1) Plus accrued interest, if any, from August , 2013, if initial settlement occurs after that date.
- (2) An underwriting discount of \$ per Junior Subordinated Note (or up to \$ for all Junior Subordinated Notes, exclusive of Junior Subordinated Notes that may be purchased by the underwriters pursuant to the option described in footnote (3) below) will be deducted from the proceeds paid to us by the underwriters. However, the discount will be \$ per Junior Subordinated Note for sales to institutions and, to the extent of such institutional sales, the total underwriting discount will be less than the amount set forth in the above table. As a result of sales to institutions, the total proceeds to us increased by \$. Certain other expenses of the offering will be paid by us. See Underwriting (Conflicts of Interest).
- (3) We have granted the underwriters an option to purchase up to an additional \$ aggregate principal amount of the Junior Subordinated Notes within 30 days after the date of this prospectus supplement at the price to public, less the underwriting discount, solely to cover over-allotments, if any. Should the underwriters exercise this option in full, the total price to public, underwriting discount and proceeds to us before expenses will be \$, \$ and \$, respectively, assuming none of the Junior Subordinated Notes purchased through this option are sold to institutions. If any of the Junior Subordinated Notes purchased through the over-allotment option are sold to institutions, the underwriting discount on those Junior Subordinated Notes will be \$ per Junior Subordinated Note, and we will receive additional net proceeds.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The Junior Subordinated Notes are expected to be delivered in book-entry only form through the facilities of The Depository Trust Company, on or about August , 2013.

Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as physical book-runner for this transaction.

Joint Book Running Managers

**BofA Merrill Lynch
Morgan Stanley**

**J.P. Morgan
Wells Fargo Securities**

The date of this prospectus supplement is August , 2013

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus authorized by us. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus authorized by us is accurate as of any date other than the date of the document containing the information or such other date as may be specified therein. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

TABLE OF CONTENTS

	Page
Prospectus Supplement	
<u>About this Prospectus Supplement</u>	S-ii
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-7
<u>Forward-Looking Statements</u>	S-10
<u>Summary Consolidated Financial Information</u>	S-12
<u>Ratios of Earnings to Fixed Charges</u>	S-12
<u>Use of Proceeds</u>	S-13
<u>Capitalization</u>	S-13
<u>Description of the Junior Subordinated Notes</u>	S-14
<u>Certain U.S. Federal Income Tax Consequences</u>	S-21
<u>Underwriting (Conflicts of Interest)</u>	S-27
<u>Legal Matters</u>	S-31
<u>Experts</u>	S-31
Prospectus	
<u>Summary</u>	1
<u>The Company</u>	6
<u>The Trusts</u>	6
<u>Use of Proceeds</u>	7
<u>Description of Debt Securities</u>	7
<u>Description of Common Stock</u>	16
<u>Description of Stock Purchase Contracts and Stock Purchase Units</u>	20
<u>Description of Warrants to Purchase Common Stock</u>	21
<u>Description of Warrants to Purchase Debt Securities</u>	22
<u>Description of Trust Securities</u>	23
<u>Description of Guarantees</u>	25
<u>Legal Matters</u>	28
<u>Experts</u>	28

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement.

It is important for you to read and consider all information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information contained in the documents to which we have referred you in [Summary Where You Can Find More Information](#) in the accompanying prospectus.

For purposes of this prospectus supplement and the accompanying prospectus, unless the context otherwise indicates, when we refer to [us](#), [we](#), [our](#), [ours](#), or the [company](#) we are describing Integrys Energy Group, Inc., including, as appropriate, its subsidiaries.

Table of Contents

SUMMARY

*The following summary is qualified in its entirety by, and should be read together with, the more detailed information that is included elsewhere in this prospectus supplement and the accompanying prospectus, as well as the information that is incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus. See **Summary Where You Can Find More Information** in the accompanying prospectus for information about how you can obtain the information that is incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus. Investing in the Junior Subordinated Notes involves risks. See **Risk Factors** in this prospectus supplement.*

IntegrYS Energy Group, Inc.

We are a diversified energy holding company. Our wholly owned subsidiaries provide products and services in both the regulated and nonregulated energy markets. As of December 31, 2012, our six regulated utility subsidiaries served approximately 1,690,000 natural gas and 495,000 electric customers in Illinois, Michigan, Minnesota and Wisconsin. Our nonregulated energy supply and services subsidiary serves residential and small commercial and industrial customers in the northeast quadrant of the United States. In addition, we have an equity ownership interest in American Transmission Company LLC (a federally regulated electric transmission company with operations in Wisconsin, Michigan, Minnesota and Illinois) of approximately 34% at June 30, 2013. We were incorporated in Wisconsin in 1993, our executive offices are located at 130 East Randolph Street, Chicago, Illinois 60601-6207 and our telephone number is (312) 228-5400. Our common stock is listed and trades on the New York Stock Exchange under the symbol **TEG**.

Our principal operating subsidiaries are:

Wisconsin Public Service Corporation, a regulated electric and natural gas utility that generates electricity and distributes electricity and natural gas in northeastern Wisconsin and an adjacent portion of the Upper Peninsula of Michigan. Wisconsin Public Service provides electric service to residential, commercial and industrial, wholesale and other customers, and provides natural gas service to residential, commercial and industrial, transportation and other customers.

The Peoples Gas Light and Coke Company, a regulated natural gas utility serving residential, commercial and industrial, transportation and other customers in the city of Chicago, Illinois.

IntegrYS Energy Services, Inc., a diversified nonregulated retail energy supply and services company that primarily sells electricity and natural gas in deregulated markets. In addition, IntegrYS Energy Services invests in energy assets with renewable attributes.

Our other major operating subsidiaries include:

Minnesota Energy Resources Corporation, a regulated natural gas utility serving approximately 214,000 natural gas customers in 165 communities throughout certain portions of Minnesota, including Eagan, Rosemount, Rochester, Fairmont, Bemidji, Cloquet and Dakota County.

Michigan Gas Utilities Corporation, a regulated natural gas utility serving approximately 168,000 natural gas customers in 147 communities in southern and western Michigan in and around Grand Haven, Otsego, Benton Harbor, Coldwater and Monroe.

North Shore Gas Company, a regulated natural gas utility serving approximately 158,000 natural gas customers in 54 communities within the northern suburbs of Chicago, Illinois.

Edgar Filing: INTEGRYS ENERGY GROUP, INC. - Form 424B5

Upper Peninsula Power Company, a regulated electric utility serving approximately 52,000 electric customers in 86 incorporated communities in the Upper Peninsula of Michigan.

Our wholly owned subsidiaries also include Integrys Business Support, LLC, a centralized service company, and Integrys Transportation Fuels, LLC, a nonregulated compressed natural gas fueling business.

S-1

Table of Contents

The Offering

Issuer	Integrys Energy Group, Inc.
Security Offered	We are offering \$ _____ aggregate principal amount of our _____ % Junior Subordinated Notes Due 2073 (or \$ _____ aggregate principal amount if the underwriters exercise their over-allotment option in full). The Junior Subordinated Notes will be issued in registered form and in denominations of \$25 and integral multiples in excess thereof. The Junior Subordinated Notes will be issued under our subordinated indenture, dated as of November 13, 2006 between us and U.S. Bank National Association, as Trustee (sometimes referred to as the Trustee), as supplemented by a second supplemental indenture, to be dated as of August _____, 2013 (together, sometimes referred to as the subordinated indenture).
Maturity	The Junior Subordinated Notes will mature on August 1, 2073.
Interest Rate	The Junior Subordinated Notes will bear interest at a fixed rate of _____ % per year from the date they are issued up to, but not including, August 1, 2023 or an earlier redemption date (sometimes referred to as the Fixed Rate Period). The Junior Subordinated Notes will bear interest from August 1, 2023 up to, but not including, the maturity date or earlier redemption date (sometimes referred to as the Floating Rate Period) at a floating rate based on the Three-Month LIBOR Rate (as defined below) plus _____ basis points (_____ %), reset quarterly.
Interest Payment Dates	Subject to our right to defer interest payments as described below, interest on the Junior Subordinated Notes will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, beginning on November 1, 2013.
Option to Defer Interest Payments	<p>At our option, we may, on one or more occasions, defer payment of all or part of the current and accrued interest otherwise due on the Junior Subordinated Notes for a period of up to 40 consecutive quarterly periods (each period, commencing on the date that the first such interest payment would otherwise have been made, sometimes referred to as an Optional Deferral Period). In other words, we may declare at our discretion up to a 10-year interest payment moratorium on the Junior Subordinated Notes and may choose to do that on more than one occasion. A deferral of interest payments may not extend beyond the maturity date of the Junior Subordinated Notes, and we may not begin a new Optional Deferral Period until we have paid all accrued interest on the Junior Subordinated Notes from the previous Optional Deferral Period.</p> <p>Any deferred interest on the Junior Subordinated Notes will accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, compounded quarterly, to the extent permitted by applicable law. Once we pay all deferred interest payments on the Junior Subordinated Notes, including any additional</p>

Table of Contents

interest accrued on the deferred interest, we can again defer interest payments on the Junior Subordinated Notes as described above, but not beyond the maturity date of the Junior Subordinated Notes.

We will provide to the Trustee written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the earlier of (1) the next applicable interest payment date or (2) the date, if any, upon which we are required to give notice of such interest payment date or the record date therefor to the NYSE or any applicable self-regulatory organization. The subordinated indenture provides that this notice will be forwarded promptly by the Trustee to each holder of record of Junior Subordinated Notes.

If we elect to defer interest on the Junior Subordinated Notes for one or more Optional Deferral Periods, the beneficial owners of the Junior Subordinated Notes will be required to accrue income for U.S. federal income tax purposes in the amount of the accrued and unpaid interest payments on the Junior Subordinated Notes, in the form of original issue discount, even though cash interest payments are deferred and even though the beneficial owners may be cash-basis taxpayers.

Certain Restrictions during Optional Deferral Period Unless we have paid all accrued and payable interest on the Junior Subordinated Notes, we will not, and will not permit any of our subsidiaries to, do any of the following, with certain limited exceptions described below under Description of the Junior Subordinated Notes Certain Limitations During an Optional Deferral Period :

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of the capital stock of Integrys Energy Group, Inc.;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities that rank equally with or junior in right of payment to the Junior Subordinated Notes; or

make any guarantee payments on any guarantee of debt securities if the guarantee ranks equally with or junior in right of payment to the Junior Subordinated Notes.

Optional Redemption

We may redeem the Junior Subordinated Notes at our option before their maturity:

in whole or in part, on one or more occasions, on or after August 1, 2023 at 100% of their principal amount, plus any accrued and unpaid interest thereon;

in whole, but not in part, before August 1, 2023 at 100% of their principal amount plus any accrued and unpaid interest thereon, if certain changes in tax laws, regulations or interpretations occur; or

Table of Contents

in whole, but not in part, before August 1, 2023 at 102% of their principal amount plus any accrued and unpaid interest thereon, if a rating agency makes certain changes in the equity credit criteria for securities such as the Junior Subordinated Notes.

For a more complete description of the circumstances under and the redemption prices at which the Junior Subordinated Notes may be redeemed, see Description of the Junior Subordinated Notes Redemption, Description of the Junior Subordinated Notes Right to Redeem Upon a Tax Event and Description of the Junior Subordinated Notes Right to Redeem Upon a Rating Agency Event in this prospectus supplement.

Subordination; Ranking

Our payment obligations under the Junior Subordinated Notes will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our senior indebtedness, whether presently existing or from time to time hereafter incurred, created, assumed or existing, as defined below under Description of the Junior Subordinated Notes Ranking. As of June 30, 2013, our senior indebtedness, on an unconsolidated basis, totaled \$405 million.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries, and claims of creditors and any preferred shareholders of our subsidiaries generally will have priority over the claims of our creditors with respect to the assets and earnings of our subsidiaries. The Junior Subordinated Notes, therefore, will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by our subsidiaries. In addition to trade liabilities, certain of our operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Notes. Substantially all of the physical assets of Wisconsin Public Service Corporation, The Peoples Gas Light and Coke Company and North Shore Gas Company secure outstanding debt securities of those corporations.

Our ability as a holding company to pay debt service on the Junior Subordinated Notes is largely dependent upon the availability of funds from our subsidiaries. Various laws, regulations and financial covenants impose restrictions on the ability of certain of our regulated utility subsidiaries to transfer funds to us in the form of dividends. Our regulated utility subsidiaries, with the exception of Michigan Gas Utilities Corporation, are prohibited from loaning funds to us, either directly or indirectly.

There are no terms in the subordinated indenture or the Junior Subordinated Notes that limit our ability to incur additional senior indebtedness, or that limit our subsidiaries ability to incur additional liabilities, including debt or preferred stock. We expect from time to time to incur additional indebtedness and other liabilities constituting senior indebtedness that will be senior to the Junior Subordinated Notes.

Table of Contents

Events of Default

The following are the events of default under the subordinated indenture with respect to the Junior Subordinated Notes:

failure to pay principal or any premium on the Junior Subordinated Notes when due and payable;

failure to pay interest on the Junior Subordinated Notes when due and payable that continues for 30 days (subject to our right to optionally defer interest payments); or

certain events of bankruptcy, insolvency or reorganization involving Integrys Energy Group, Inc.

Listing

We intend to apply to list the Junior Subordinated Notes on the New York Stock Exchange (sometimes referred to as the NYSE) under the symbol . If the application is approved, we expect trading in the Junior Subordinated Notes to begin within 30 days after the date that the Junior Subordinated Notes are first issued.

No Sinking Fund

The Junior Subordinated Notes do not have the benefit of a sinking fund.

Use of Proceeds

The aggregate net proceeds from the sale of the Junior Subordinated Notes, after deducting the underwriting discount and related offering expenses, are expected to be approximately \$ million (or approximately \$ million if the underwriters exercise their over-allotment option in full). The net proceeds from the sale of the Junior Subordinated Notes will be used to reduce short-term debt and for general corporate purposes. As of August 7, 2013, we had approximately \$432,000,000 of commercial paper borrowings, which had maturities up to August 15, 2013 and had a weighted average interest rate of 0.30%.

Conflicts of Interest

Certain of the underwriters or their affiliates may receive a portion of the net proceeds of this offering to the extent they are dealers under our commercial paper program. Such payments may constitute a conflict of interest under Rule 5121 of the Financial Industry Regulatory Authority, Inc. (sometimes referred to as FINRA). Consequently, this offering will be conducted in accordance with the requirements of FINRA Rule 5121.

Book-Entry

The Junior Subordinated Notes will be represented by one or more global securities that will be deposited with a custodian for and registered in the name of The Depository Trust Company, New York, New York (sometimes referred to as DTC) or its nominee. This means that you will not receive a certificate for your Junior Subordinated Notes but, instead, will hold your interest through DTC's system.

Further Issues

We may, without the consent of the holders, issue additional junior subordinated notes that will constitute one series and be fungible with the Junior Subordinated Notes.

Table of Contents

Governing Law

Wisconsin.

Risk Factors

An investment in the Junior Subordinated Notes involves risks. You should carefully consider the discussion of risks in **Risk Factors** in this prospectus supplement and the other information in this prospectus supplement and the accompanying prospectus, including **Forward-Looking Statements**, on page S-9 of this prospectus supplement, before deciding whether an investment in the Junior Subordinated Notes is suitable for you.

S-6

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment in our Junior Subordinated Notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known or that we currently believe to be immaterial may also adversely affect us.

Risks Related to Our Business

For a discussion of risks to consider respecting our businesses, see the risk factors section beginning on page 11 of our Annual Report on Form 10-K for the year ended December 31, 2012, and our other filings with the Securities and Exchange Commission that are incorporated by reference into this prospectus supplement and the accompanying prospectus.

Risks Related to the Junior Subordinated Notes

We may elect to defer interest payments on the Junior Subordinated Notes at our option for one or more periods of up to 40 consecutive quarterly periods. This may affect the market price of the Junior Subordinated Notes.

We may elect at our option to defer payment of all or part of the current and accrued interest otherwise due on the Junior Subordinated Notes for one or more periods of up to 40 consecutive quarterly periods, as described under "Description of the Junior Subordinated Notes—Option to Defer Interest Payments" in this prospectus supplement. At the end of an optional deferral period, if all amounts due are paid, we could start a new optional deferral period of up to 40 consecutive quarterly periods. During any optional deferral period, interest on the Junior Subordinated Notes would be deferred but would accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, compounded quarterly, to the extent permitted by applicable law. No optional deferred period may extend beyond the maturity date or redemption date, if earlier, of the Junior Subordinated Notes. If we exercise this interest deferral right, the Junior Subordinated Notes may trade at a price that does not fully reflect the value of accrued but unpaid interest on the Junior Subordinated Notes or that is otherwise less than the price at which the Junior Subordinated Notes may have been traded if we had not exercised such right. In addition, as a result of our right to defer interest payments, the market price of the Junior Subordinated Notes may be more volatile than other securities that do not have these rights.

We are not permitted to pay current interest on the Junior Subordinated Notes until we have paid all outstanding deferred interest, and this could have the effect of extending interest deferral periods.

During an Optional Deferral Period, we will be prohibited from paying current interest on the Junior Subordinated Notes until we have paid all accrued and unpaid deferred interest plus any accrued interest thereon. As a result, we may not be able to pay current interest on the Junior Subordinated Notes if we do not have available funds to pay all accrued and unpaid interest plus any accrued interest thereon.

The Junior Subordinated Notes are effectively subordinated to substantially all of our other debt, including the debt of our subsidiaries.

Our payment obligations under the Junior Subordinated Notes will rank junior and be subordinated in right of payment and upon liquidation to all of our senior indebtedness, whether presently existing or from time to time hereinafter incurred, created, assumed or existing. This means that we cannot make any payments on the Junior Subordinated Notes if we default on a payment of any of our senior indebtedness and do not cure the default within the applicable grace period, or if the maturity of any of our senior indebtedness has been and remains accelerated as a result of a default.

Table of Contents

Due to the subordination provisions described below under **Description of the Junior Subordinated Notes Ranking** in this prospectus supplement, in the event we pay or distribute any of our assets to creditors upon any dissolution, winding-up, liquidation or reorganization of us, whether voluntary or involuntary, the holders of our senior indebtedness will be entitled to receive payment in full of the senior indebtedness before the holders of the Junior Subordinated Notes are entitled to receive or retain any payment. Until the senior indebtedness is paid in full, any payment or distribution to which holders of the Junior Subordinated Notes would be entitled but for the subordination provisions of the subordinated indenture will be made to holders of the senior indebtedness. As a result, in the event of our insolvency, our creditors who are holders of our senior indebtedness may recover more, ratably, than the holders of the Junior Subordinated Notes.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries, and claims of creditors and any preferred shareholders of our subsidiaries generally will have priority over the claims of our creditors with respect to the assets and earnings of our subsidiaries. The Junior Subordinated Notes, therefore, will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by our subsidiaries. In addition to trade liabilities, certain of our operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Notes. Substantially all of the physical assets of Wisconsin Public Service Corporation, The Peoples Gas Light and Coke Company and North Shore Gas Company secure outstanding debt securities of those corporations.

There are no terms in the subordinated indenture or the Junior Subordinated Notes that limit our ability to incur additional senior indebtedness, or that limit our subsidiaries' ability to incur additional liabilities, including debt and preferred stock. We expect from time to time to incur additional indebtedness and other liabilities constituting senior indebtedness that will be senior to the Junior Subordinated Notes.

We are a holding company and are dependent upon dividends or distributions from our subsidiaries in order to make payments on the Junior Subordinated Notes.

We are a holding company that conducts substantially all of our operations through our subsidiaries. Therefore, our ability to meet our obligations for payment of interest and principal on outstanding debt obligations, to pay dividends to shareholders and for corporate expenses depends upon the earnings and cash flows of our subsidiaries and the ability of our subsidiaries to pay dividends or to advance or repay funds to us. Various laws, regulations and financial covenants impose restrictions on the ability of certain of our regulated utility subsidiaries to transfer funds to us in the form of dividends. Our regulated utility subsidiaries, with the exception of Michigan Gas Utilities Corporation, are prohibited from loaning funds to us, either directly or indirectly.

You may have to pay taxes on interest before you receive cash from us.

If we defer interest payments on the Junior Subordinated Notes, you will be required to accrue interest income for United States federal income tax purposes in respect of your proportionate share of the accrued but unpaid interest on the Junior Subordinated Notes, even if you normally report income when received. As a result, you will be required to include the accrued interest in your gross income for United States federal income tax purposes before you receive payment of the interest. If you sell your Junior Subordinated Notes before the record date for the first interest payment after an Optional Deferral Period, the accrued interest will be paid to the holder of record on the record date, and you will never receive the cash from us related to the accrued interest that you reported for tax purposes. You should consult with your own tax advisor regarding the tax consequences of an investment in the Junior Subordinated Notes.

For more information regarding the tax consequences of purchasing the Junior Subordinated Notes, see **Certain U.S. Federal Income Tax Consequences** in this prospectus supplement.

Table of Contents

An active trading market for the Junior Subordinated Notes may not develop, and any such market may be illiquid.

The Junior Subordinated Notes constitute a new issue of securities with no established trading market. We intend to apply to list the Junior Subordinated Notes on the NYSE. If the application is approved, trading on the NYSE is expected to commence within 30 days after the date that the Junior Subordinated Notes are first issued. However, listing the Junior Subordinated Notes on the NYSE does not guarantee that a trading market will develop or, if a trading market does develop, the depth or liquidity of that market or the ability of holders to sell their Junior Subordinated Notes easily. In addition, the liquidity of the trading market in the Junior Subordinated Notes, and the market prices quoted therefor, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active after-market for the Junior Subordinated Notes will develop or be sustained or that holders of the Junior Subordinated Notes will be able to sell their Junior Subordinated Notes at favorable prices or at all.

Rating agencies may change their practices for rating the Junior Subordinated Notes, which change may affect the market price of the Junior Subordinated Notes. In addition, we may redeem the Junior Subordinated Notes if a rating agency makes certain changes in the equity credit methodology for securities such as the Junior Subordinated Notes.

The rating agencies that currently or may in the future publish a rating for Integrys Energy Group, Inc., including Moody's Investors Service, Inc. (sometimes referred to as Moody's), Standard & Poor's Ratings Services (sometimes referred to as S&P), and Fitch Ratings, Inc., of which Moody's and S&P are expected to initially publish a rating of the Junior Subordinated Notes, may, from time to time in the future, change the way they analyze securities with features similar to the Junior Subordinated Notes. This may include, for example, changes to the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Junior Subordinated Notes. If the rating agencies change their practices for rating these types of securities in the future, and the ratings of the Junior Subordinated Notes are subsequently lowered, that could have a negative impact on the trading price of the Junior Subordinated Notes. In addition, we may redeem the Junior Subordinated Notes before August 1, 2023 at our option, in whole, but not in part, if a rating agency makes certain changes in the equity credit methodology for securities such as the Junior Subordinated Notes. See Description of the Junior Subordinated Notes Right to Redeem Upon a Rating Agency Event in this prospectus supplement.

Table of Contents

FORWARD-LOOKING STATEMENTS

In this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein, we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies and future events or performance. Such statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future results and conditions. Although we believe that these forward-looking statements and the underlying assumptions are reasonable, we cannot provide assurance that such statements will prove correct.

Forward-looking statements involve a number of risks and uncertainties. Some risks that could cause actual results to differ materially from those expressed or implied in forward-looking statements include those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, as may be amended or supplemented in Part II, Item 1A of our subsequently filed Quarterly Reports on Form 10-Q, and those identified below:

The timing and resolution of rate cases and related negotiations, including recovery of deferred and current costs and the ability to earn a reasonable return on investment, and other regulatory decisions impacting our regulated businesses;

Federal and state legislative and regulatory changes relating to the environment, including climate change and other environmental regulations impacting generation facilities and renewable energy standards;

Other federal and state legislative and regulatory changes, including deregulation and restructuring of the electric and natural gas utility industries, financial reform, health care reform, energy efficiency mandates, reliability standards, pipeline integrity and safety standards, and changes in tax and other laws and regulations to which we and our subsidiaries are subject;

Costs and effects of litigation and administrative proceedings, settlements, investigations and claims;

Changes in credit ratings and interest rates caused by volatility in the financial markets and actions of rating agencies and their impact on our and our subsidiaries' liquidity and financing efforts;

The risks associated with changing commodity prices, particularly natural gas and electricity, and the available sources of fuel, natural gas and purchased power, including their impact on margins, working capital and liquidity requirements;

The timing and outcome of any audits, disputes and other proceedings related to taxes;

The effects, extent and timing of additional competition or regulation in the markets in which our subsidiaries operate;

The ability to retain market-based rate authority;

The risk associated with the value of goodwill or other intangible assets and their possible impairment;

The investment performance of employee benefit plan assets and related actuarial assumptions, which impact future funding requirements;

The impact of unplanned facility outages;

Changes in technology, particularly with respect to new, developing or alternative sources of generation;

The effects of political developments, as well as changes in economic conditions and the related impact on customer use, customer growth and our ability to adequately forecast energy use for our customers;

Potential business strategies, including mergers, acquisitions and construction or disposition of assets or businesses, which cannot be assured to be completed timely or within budgets;

S-10

Table of Contents

The risk of terrorism or cyber security attacks, including the associated costs to protect our assets and respond to such events;

The risk of failure to maintain the security of personally identifiable information, including the associated costs to notify affected persons and to mitigate their information security concerns;

The effectiveness of risk management strategies, the use of financial and derivative instruments and the related recovery of these costs from customers in rates;

The risk of financial loss, including increases in bad debt expense, associated with the inability of our and our subsidiaries counterparties, affiliates and customers to meet their obligations;

Unusual weather and other natural phenomena, including related economic, operational and/or other ancillary effects of any such events;

The ability to use tax credit and loss carryforwards;

The financial performance of American Transmission Company LLC and its corresponding contribution to our earnings;

The effect of accounting pronouncements issued periodically by standard-setting bodies; and

Other factors discussed elsewhere herein and in reports we file with the Securities and Exchange Commission.

Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The summary consolidated financial information below was selected or derived from our consolidated financial statements. The unaudited interim period financial information, in the opinion of our management, includes all normal and recurring adjustments that are considered necessary for a fair presentation of the results for such interim periods. Results for the six months ended June 30, 2013 are not necessarily indicative of results to be expected for the full fiscal year. The information set forth below is qualified in its entirety by, and should be read in conjunction with, our Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the period ended June 30, 2013 incorporated by reference into this prospectus supplement and the accompanying prospectus. See Summary Where You Can Find More Information in the accompanying prospectus.

	Year Ended December 31,			Six Months Ended June 30,	
	2010	2011	2012	2012	2013
	(In millions)				
Income Statement Data:					
Total revenues	\$ 5,169.8	\$ 4,685.9	\$ 4,212.4	\$ 2,087.5	\$ 2,794.2
Operating income	462.7	406.8	467.5	240.2	286.2
Net income from continuing operations	245.2	230.0	294.0	150.5	178.3
Net income	223.7	230.5	284.3	149.3	183.6
Net income attributed to common shareholders	220.9	227.4	281.4	147.7	182.1

	As of December 31,		As of June 30,
	2011	2012	2013
	(In millions)		
Balance Sheet Data:			
Cash and cash equivalents	\$ 28.1	\$ 27.4	\$ 20.2
Total assets	9,983.2	10,327.4	10,777.0
Long-term debt (excluding current portion)	1,845.0	1,931.7	1,886.2
Total common shareholders' equity	2,961.4	3,025.8	3,153.6

RATIOS OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges for each of the periods indicated are as follows:

	Year ended December 31,				Six Months Ended June 30,		
	2008 (b)	2009 (b)	2010 (b)	2011 (b)	2012	2012	2013
Ratio of earnings to fixed charges (a)	1.9	(c)	3.5	3.5	4.2	4.3	5.3

- (a) In computing the ratios, earnings represent income (loss) from continuing operations before fixed charges and federal and state income taxes, less undistributed earnings of less than 50% owned affiliates and interest capitalized. Fixed charges represent interest expense, interest capitalized (including allowance for funds used during construction), the estimated interest factor applicable to rentals and preferred stock dividends of a subsidiary.
- (b) Certain amounts have been retrospectively adjusted due to discontinued operations.
- (c) For 2009, earnings were inadequate to cover fixed charges by \$9.7 million, driven by a pre-tax non-cash goodwill impairment loss of \$291.1 million.

Table of Contents**USE OF PROCEEDS**

The aggregate net proceeds from the sale of the Junior Subordinated Notes, after deducting the underwriting discount and related offering expenses, are expected to be approximately \$ million (or approximately \$ million if the underwriters exercise their over-allotment option in full). The net proceeds from the sale of the Junior Subordinated Notes will be used to reduce short-term debt and for general corporate purposes. As of August 7, 2013, we had approximately \$432,000,000 of commercial paper borrowings, which had maturities up to August 15, 2013 and had a weighted average interest rate of 0.30%.

Certain of the underwriters or their affiliates may receive a portion of the net proceeds of this offering to the extent they are dealers under our commercial paper program. See Underwriting (Conflicts of Interest) Conflicts of Interest.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 30, 2013:

on an actual basis;

as adjusted to give effect to this offering; and

assumes no exercise of the underwriters over-allotment option.

You should read this table in conjunction with our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of June 30, 2013	
	Actual (Unaudited)	As Adjusted for this Offering
	(In millions)	
Cash and cash equivalents	\$ 20.2	\$
Short-term debt	\$ 833.2	\$
Long-term debt (including current portion) (1)	2,162.7	
Junior Subordinated Notes offered hereby		
Total debt	2,995.9	
Common stock	79.5	79.5
Additional paid-in capital	2,627.0	2,627.0
Retained earnings	506.0	506.0
Accumulated other comprehensive loss	(36.6)	(36.6)
Shares in deferred compensation trust	(22.3)	(22.3)
Total common shareholders equity	3,153.6	3,153.6
Preferred stock of subsidiary	51.1	51.1
Total capitalization	\$ 6,200.6	\$

- (1) An additional \$220 million of long-term debt was issued by our wholly-owned subsidiary, The Peoples Gas Light and Coke Company, on August 1, 2013 and is not reflected in this table.

S-13

Table of Contents

DESCRIPTION OF THE JUNIOR SUBORDINATED NOTES

General

Specific terms of the % Junior Subordinated Notes Due 2073 are summarized below. This summary is not complete and should be read together with Description of Debt Securities in the accompanying prospectus, where certain provisions of the subordinated indenture have been summarized, and is qualified in its entirety by the terms and provisions of the subordinated indenture.

The Junior Subordinated Notes are issuable in denominations of \$25 or any integral multiple thereof. The Junior Subordinated Notes will be issued in an initial aggregate principal amount of \$ (or \$ if the underwriters exercise in full their over-allotment option). The Junior Subordinated Notes will be held in book-entry form only, as described under Description of Debt Securities Book-Entry Securities in the accompanying prospectus, and will be held in the name of DTC or its nominee.

We may from time to time, without the consent of existing holders, create and issue additional junior subordinated notes having the same terms and conditions as the Junior Subordinated Notes being offered hereby in all respects, except for issue date, issue price and, if applicable, the first payment of interest thereon and the initial interest accrual date. Additional junior subordinated notes issued in this manner will be consolidated with and will form a single series with the previously outstanding Junior Subordinated Notes.

Maturity

Unless an earlier redemption has occurred, the entire principal amount of the Junior Subordinated Notes will mature and become due and payable, together with any accrued and unpaid interest, on August 1, 2073.

Interest

Fixed Rate Period

The Junior Subordinated Notes will bear interest at % per year during the Fixed Rate Period. The amount of interest payable for any quarterly interest accrual period during the Fixed Rate Period will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Floating Rate Period

The Junior Subordinated Notes will bear interest during the Floating Rate Period at the Three-Month LIBOR Rate plus basis points (%), reset quarterly on February 1, May 1, August 1 and November 1 of each year (each, sometimes referred to as a LIBOR Rate Reset Date). The amount of interest payable for any quarterly interest accrual period during the Floating Rate Period will be computed on the basis of the actual number of days elapsed during that quarterly interest period (determined by including the first day of the interest period and excluding the last day) divided by 360.

General

Subject to our right to defer interest payments as described below, interest is payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, beginning on November 1, 2013. If interest payments are deferred or otherwise not paid, they will accrue and compound until paid at a rate equal to the interest rate then applicable to the Junior Subordinated Notes.

In this prospectus supplement, the term interest includes quarterly interest payments and interest on interest payments accrued but not paid on the applicable interest payment date.

A business day is any day that is not a Saturday, a Sunday, or a day on which banks in New York City are authorized or obligated by law or executive order to remain closed, or a day on which the Corporate Trust Office of the Trustee is closed for business.

Table of Contents

During the Fixed Rate Period, if an interest payment date or a redemption date of the Junior Subordinated Notes falls on a day that is not a business day, the payment of interest and principal will be made on the next succeeding business day, and no interest on such payment will accrue for the period from and after the interest payment date or the redemption date, as applicable.

During the Floating Rate Period, if any interest payment date, other than a redemption date or the maturity date of the Junior Subordinated Notes, falls on a day that is not a business day, the interest payment date will be postponed to the next day that is a business day, except that if that business day is in the next succeeding calendar month, the interest payment date will be the immediately preceding business day. Also, if a redemption date or the maturity date of the Junior Subordinated Notes falls on a day that is not a business day, the payment of interest and principal will be made on the next succeeding business day, and no interest on such payment will accrue for the period from and after the redemption date or the maturity date, as applicable. During the Floating Rate Period, if any LIBOR Rate Reset Date falls on a day that is not a business day, the LIBOR Rate Reset Date will be postponed to the next day that is a business day, except that if that business day is in the next succeeding calendar month, the LIBOR Rate Reset Date will be the immediately preceding business day. During the Floating Rate Period, the interest rate in effect on any LIBOR Rate Reset Date will be the applicable interest rate as reset on that date, and the interest rate applicable to any other day will be the interest rate as reset on the immediately preceding LIBOR Rate Reset Date.

So long as the Junior Subordinated Notes remain in book-entry only form registered in the name of DTC or its nominee, the record date for each interest payment date will be the business day immediately preceding the applicable interest payment date.

If the Junior Subordinated Notes are not in book-entry only form registered in the name of DTC or its nominee, the record date for each interest payment date will be the fifteenth calendar day (whether or not a business day) immediately preceding the applicable interest payment date.

Determining the Floating Rate

The Three-Month LIBOR Rate means the rate determined in accordance with the following provisions:

- (1) On the LIBOR Interest Determination Date (as defined below), the Calculation Agent (as defined below) will determine the Three-Month LIBOR Rate which will be the rate for deposits in U.S. dollars having a three-month maturity which appears on the Reuters Page LIBOR01 (as defined below) as of 11:00 a.m., London time, on the LIBOR Interest Determination Date.
- (2) If no rate appears on Reuters Page LIBOR01 on the LIBOR Interest Determination Date, the Calculation Agent will request the principal London offices of four major reference banks in the London Inter-Bank Market to provide it with their offered quotations for deposits in U.S. dollars for the period of three months, commencing on the applicable LIBOR Rate Reset Date, to prime banks in the London Inter-Bank Market at approximately 11:00 a.m., London time, on that LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, then the Three-Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of those quotations. If fewer than two quotations are provided, then the Three-Month LIBOR Rate will be the average (rounded, if necessary, to the nearest one hundredth (0.01) of a percent) of the rates quoted at approximately 11:00 a.m., New York City time, on the LIBOR Interest Determination Date by three major banks in New York City selected by the Calculation Agent for loans in U.S. dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If the banks selected by the Calculation Agent are not providing quotations in the manner described by this paragraph, the rate for the quarterly interest period following the LIBOR Interest Determination Date will be the rate in effect on that LIBOR Interest Determination Date.

Table of Contents

Reuters Page LIBOR01 means the display so designated on the Reuters 3000 Xtra (or such other page as may replace the LIBOR01 page on that service or on such other service as may be designated for the purpose of displaying London interbank offered rates for U.S. dollar deposits by the British Bankers Association or such other person that takes over responsibility for the administration of such rates).

LIBOR Interest Determination Date means the second LIBOR Business Day (as defined below) preceding each LIBOR Rate Reset Date.

LIBOR Business Day means any business day on which dealings in deposits in U.S. dollars are transacted in the London Inter-Bank market.

Calculation Agent means U.S. Bank National Association or a successor appointed by us, acting as calculation agent.

Option to Defer Interest Payments

At our option, we may, on one or more occasions, defer payment of all or part of the current and accrued interest otherwise due on the Junior Subordinated Notes for a period of up to 40 consecutive quarterly periods. In other words, we may declare at our discretion up to a 10-year interest payment moratorium on the Junior Subordinated Notes and may choose to do that on more than one occasion. A deferral of interest payments may not extend beyond the maturity date of the Junior Subordinated Notes, and we may not begin a new Optional Deferral Period until we have paid all accrued interest on the Junior Subordinated Notes from the previous Optional Deferral Period.

Any deferred interest on the Junior Subordinated Notes will accrue additional interest at a rate equal to the interest rate then applicable to the Junior Subordinated Notes, compounded quarterly, to the extent permitted under applicable law. Once we pay all deferred interest payments on the Junior Subordinated Notes, including any additional interest accrued on the deferred interest, we can again defer interest payments on the Junior Subordinated Notes as described above, but not beyond the maturity date of the Junior Subordinated Notes.

We will provide to the Trustee written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the earlier of (1) the next applicable interest payment date or (2) the date, if any, upon which we are required to give notice of such interest payment date or the record date therefor to the NYSE or any applicable self-regulatory organization. The subordinated indenture provides that this notice will be forwarded promptly by the Trustee to each holder of record of Junior Subordinated Notes.

Certain Limitations During an Optional Deferral Period

Unless we have paid all accrued and payable interest on the Junior Subordinated Notes, subject to several exceptions, we will not, and will not permit any of our subsidiaries to, do any of the following:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of the capital stock of Integrys Energy Group, Inc.;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities that rank equally with or junior in right of payment to the Junior Subordinated Notes; or

make any guarantee payments on any guarantee of debt securities if the guarantee ranks equally with or junior in right of payment to the Junior Subordinated Notes.

However, at any time, including during an Optional Deferral Period, the exceptions will permit us to:

pay any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock;

Table of Contents

declare or pay a dividend in connection with the implementation of a shareholders rights plan, or issue stock under such a plan or repurchase such rights; and

purchase common stock for issuance pursuant to any employee benefit plans or dividend reinvestment and stock purchase plans.

Redemption

On or after August 1, 2023, we may redeem the Junior Subordinated Notes, in whole or in part, on one or more occasions, at 100% of their principal amount plus any accrued and unpaid interest thereon to, but not including, the redemption date.

We may also redeem the Junior Subordinated Notes before August 1, 2023 (i) in whole, but not in part, if certain changes in tax laws, regulations or interpretations occur, at the redemption price and under the circumstances described below under Right to Redeem Upon a Tax Event and (ii) in whole, but not in part, if a rating agency makes certain changes in the equity credit criteria for securities such as the Junior Subordinated Notes, at the redemption price and under the circumstances described below under Right to Redeem Upon a Rating Agency Event.

Right to Redeem Upon a Tax Event

Before August 1, 2023, we may redeem the Junior Subordinated Notes, in whole, but not in part, at any time within 90 days following the occurrence and continuation of a Tax Event (as defined below), at 100% of their principal amount plus any accrued and unpaid interest thereon to, but not including, the redemption date.

A Tax Event happens when we have received an opinion of counsel experienced in tax matters that, as a result of:

any amendment to, clarification of, or change, including any announced prospective change, in the laws or treaties of the United States or any of its political subdivisions or taxing authorities, or any regulations under those laws or treaties;

an administrative action, which means any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation;

any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, regardless of the time or manner in which that amendment, clarification or change is introduced or made known; or

a threatened challenge asserted in writing in connection with our audit or an audit of any of our subsidiaries, or a publicly-known threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the Junior Subordinated Notes,

which amendment, clarification or change is effective or the administrative action is taken or judicial decision, interpretation or pronouncement is issued or threatened challenge is asserted or becomes publicly-known after the date of the original issuance of the Junior Subordinated Notes, there is more than an insubstantial risk that interest payable by us on the Junior Subordinated Notes is not deductible, or within 90 days would not be deductible, in whole or in part, by us for United States federal income tax purposes.

Table of Contents

Right to Redeem Upon a Rating Agency Event

Before August 1, 2023, we may redeem the Junior Subordinated Notes, in whole, but not in part, at any time within 90 days after the conclusion of any review or appeal process instituted by us following the occurrence and continuation of a Rating Agency Event (as defined below), at 102% of their principal amount plus any accrued and unpaid interest thereon to, but not including, the redemption date.

Rating Agency Event means a change to the methodology or criteria that were employed by an applicable nationally recognized statistical rating organization for purposes of assigning equity credit to securities such as the Junior Subordinated Notes on the date of initial issuance of the Junior Subordinated Notes, or the current methodology, which change either (i) shortens the period of time during which equity credit pertaining to the Junior Subordinated Notes would have been in effect had the current methodology not been changed or (ii) reduces the amount of equity credit assigned to the Junior Subordinated Notes as compared with the amount of equity credit that such rating agency had assigned to the Junior Subordinated Notes as of the date of initial issuance thereof.

Ranking

Our payment obligations under the Junior Subordinated Notes will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our senior indebtedness, whether presently existing or from time to time hereafter incurred, created, assumed or existing.

Senior indebtedness means the principal of, premium, if any, and interest in respect of:

all of our indebtedness for money borrowed;

indebtedness evidenced by securities, debentures, bonds or other similar instruments issued by us;

all of our capital lease obligations;

all of our obligations issued or assumed as the deferred purchase price of property, all of our conditional sale obligations and all of our obligations under any title retention agreements (but excluding trade accounts payable arising in the ordinary course of business);

all of our obligations for reimbursement on any letter of credit, banker's acceptance, security purchase facility or similar credit transaction;

all obligations of the types previously described of other persons for the payment of which we are responsible or liable as obligor, guarantor or otherwise; and

all obligations of the types previously described of other persons secured by any lien on any of our property, whether or not such obligation is assumed by us.

However, the term **senior indebtedness** does not include:

any indebtedness which is by its terms subordinated to, or pari passu with, the Junior Subordinated Notes;

any of our obligations to any of our affiliates; or

any accrued liabilities arising in the ordinary course of business.

Our senior indebtedness will be entitled to the benefits of the subordination provisions in the subordinated indenture irrespective of any amendment, modification or waiver of any term of such senior indebtedness.

Under the subordinated indenture, no payment may be made on the Junior Subordinated Notes, including any redemption payment, if:

any of our senior indebtedness has not been paid when due and any applicable grace period has ended and the default has not been cured or waived or ceased to exist, or

the maturity of any senior indebtedness has been and remains accelerated as a result of a default.

S-18

Table of Contents

In the event we pay or distribute any of our assets to creditors upon any dissolution, winding-up, liquidation or reorganization of us, whether voluntary or involuntary, the holders of our senior indebtedness will be entitled to receive payment in full of the senior indebtedness before the holders of the Junior Subordinated Notes are entitled to receive or retain any payment. Until the senior indebtedness is paid in full, any payment or distribution to which holders of the Junior Subordinated Notes would be entitled but for the subordination provisions of the subordinated indenture will be made to holders of the senior indebtedness. If a distribution is made to holders of the Junior Subordinated Notes that, due to the subordination provisions, should not have been made to them, those holders of the Junior Subordinated Notes are required to pay such distribution over to the holders of the senior indebtedness or their representatives or trustees, as their interests may appear. As a result of the subordination provisions contained in the subordinated indenture, in the event of our insolvency, our creditors who are holders of senior indebtedness may recover more, ratably, than the holders of the Junior Subordinated Notes.

As of June 30, 2013, our senior indebtedness, on an unconsolidated basis, totaled \$405 million.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries, and claims of creditors and any preferred shareholders of our subsidiaries generally will have priority over the claims of our creditors with respect to the assets and earnings of our subsidiaries. The Junior Subordinated Notes, therefore, will be effectively subordinated to all indebtedness and other liabilities, including trade payables, debt and preferred stock, incurred or issued by our subsidiaries. In addition to trade liabilities, certain of our operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness will be effectively senior to the Junior Subordinated Notes. Substantially all of the physical assets of Wisconsin Public Service Corporation, The Peoples Gas Light and Coke Company and North Shore Gas Company secure outstanding debt securities of those corporations.

Our ability as a holding company to pay debt service on the Junior Subordinated Notes is largely dependent upon the availability of funds from our subsidiaries. Various laws, regulations and financial covenants impose restrictions on the ability of certain of our regulated utility subsidiaries to transfer funds to us in the form of dividends. Our regulated utility subsidiaries, with the exception of Michigan Gas Utilities Corporation, are prohibited from loaning funds to us, either directly or indirectly. The Public Service Commission of Wisconsin limits the amount of ordinary dividends that Wisconsin Public Service Corporation may pay to us and require that the debt-to-equity ratio of Wisconsin Public Service Corporation remain within a specified range. The restated articles of incorporation of Wisconsin Public Service Corporation also limit the amount of dividends which it may pay on its common stock if its common stock and common stock surplus accounts are less than 25% of its total capitalization. North Shore Gas Company's long-term debt obligations contain provisions and covenants restricting the payment of cash dividends and the purchase or redemption of capital stock, all of which is held indirectly by us. See Note 16, *Common Equity*, to the Condensed Notes to Financial Statements in our Quarterly Report on Form 10-Q for the period ended June 30, 2013 for a more detailed description of the restrictions on the payment of dividends by our subsidiaries.

There are no terms in the subordinated indenture or the Junior Subordinated Notes that limit our ability to incur additional senior indebtedness, or that limit our subsidiaries' ability to incur additional liabilities, including debt or preferred stock. We expect from time to time to incur additional indebtedness and other liabilities constituting senior indebtedness that will be senior to the Junior Subordinated Notes.

Events of Default

The following events of default are applicable to the Junior Subordinated Notes, instead of the events of default described in the accompanying prospectus:

failure to pay principal or any premium on the Junior Subordinated Notes when due and payable;

failure to pay interest on the Junior Subordinated Notes when due and payable that continues for 30 days (subject to our right to optionally defer interest payments described above under "Option to Defer Interest Payments"); or

certain events of bankruptcy, insolvency or reorganization involving Integrys Energy Group, Inc.

Table of Contents

With respect to the Junior Subordinated Notes, a failure to comply with the other covenants under the subordinated indenture does not constitute an event of default.

If an event of default (other than due to certain events of bankruptcy, insolvency or reorganization) occurs, the Trustee or the holders of at least 25% in aggregate principal amount of the then-outstanding Junior Subordinated Notes will have the right to declare the principal amount of the Junior Subordinated Notes, and any accrued interest thereon, immediately due and payable. If an event of default occurs due to certain events of bankruptcy, insolvency or reorganization, the principal amount of all the outstanding Junior Subordinated Notes, and any accrued interest thereon, will automatically, and without any declaration or other action on the part of the Trustee or any holder of the Junior Subordinated Notes, become immediately due and payable.

No Sinking Fund

The Junior Subordinated Notes will not be entitled to the benefit of any sinking fund.

No Defeasance

Certain provisions of the subordinated indenture relating to defeasance, described under **Description of Debt Securities Satisfaction and Discharge; Defeasance** in the accompanying prospectus, shall not apply to the Junior Subordinated Notes.

Agreement by Holders to Certain Tax Treatment

Each holder of the Junior Subordinated Notes will, by accepting the Junior Subordinated Notes or a beneficial interest therein, be deemed to have agreed that the holder intends that the Junior Subordinated Notes constitute debt and will treat the Junior Subordinated Notes as debt for United States federal, state and local tax purposes.

Book-Entry Issuance

The Junior Subordinated Notes will trade in book-entry only form through the facilities of DTC. The Junior Subordinated Notes will be represented by one or more global certificates and registered in the name of Cede & Co., DTC's nominee.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. Such laws may impair the ability to transfer beneficial interests in the Junior Subordinated Notes as represented by a global certificate.

For additional information relating to DTC and the book-entry issuance system, see **Description of Debt Securities Book-Entry Securities** in the accompanying prospectus.

Table of Contents

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain material U.S. federal income tax consequences relevant to the acquisition, ownership, and disposition of the Junior Subordinated Notes. This summary is based upon the Internal Revenue Code of 1986, as amended (sometimes referred to as the Code), Treasury regulations, rulings of the Internal Revenue Service (sometimes referred to as the IRS), and judicial decisions in existence on the date hereof, all of which are subject to change. Any such change could apply retroactively and could affect adversely the tax consequences described below. No assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation. No advance tax ruling has been sought or obtained from the IRS regarding the tax consequences of the transactions described herein.

For purposes of this summary, a U.S. Holder is a beneficial owner of Junior Subordinated Notes that is (a) an individual who is a citizen of the United States or who is resident in the United States for U.S. federal income tax purposes, (b) an entity that is classified for U.S. federal income tax purposes as a corporation and that is organized under the laws of the United States, any state thereof, or the District of Columbia, or is otherwise treated for U.S. federal income tax purposes as a domestic corporation, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust (i) whose administration is subject to the primary supervision of a court within the United States and all substantial decisions of which are subject to the control of one or more United States persons as described in Section 7701(a)(30) of the Code (United States persons), or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

For purposes of this summary, a Non-U.S. Holder is a beneficial owner of Junior Subordinated Notes (other than an entity that is classified for U.S. federal income tax purposes as a partnership or as a disregarded entity) that is not a U.S. Holder. If an entity classified for U.S. federal income tax purposes as a partnership or as a disregarded entity owns Junior Subordinated Notes, the tax treatment of a member of the entity will depend on the status of the members and the activities of the entity. The tax treatment of such an entity, and the tax treatment of any member of such an entity, is not addressed in this summary. Any entity that is classified for U.S. federal income tax purposes as a partnership or as a disregarded entity and that owns Junior Subordinated Notes, and any members of such an entity, should consult their tax advisors.

This summary does not discuss all U.S. federal income tax consequences that may be relevant to U.S. Holders and Non-U.S. Holders in light of their particular circumstances or that may be relevant to certain holders that may be subject to special treatment under U.S. federal income tax law (for example, tax-exempt organizations, insurance companies, banks and other financial institutions, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, real estate investment trusts, regulated investment companies, individual retirement accounts, qualified pension plans, persons who hold Junior Subordinated Notes as part of a straddle, hedging, constructive sale, conversion, or other integrated transaction, U.S. Holders whose functional currency is not the U.S. dollar, controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax). Furthermore, this summary does not discuss any alternative minimum tax consequences, and does not address any aspects of state, local, or foreign taxation. This summary only applies to those persons who purchase Junior Subordinated Notes in the initial offering at the initial offering price and who hold Junior Subordinated Notes as capital assets within the meaning of Section 1221 of the Code. In the case of any Non-U.S. Holder who is an individual, this summary assumes that this individual was not formerly a United States citizen, and was not formerly a resident of the United States for U.S. federal income tax purposes.

Treasury regulations provide special rules for the treatment of debt instruments that provide for contingent payments. Under these regulations, a contingency is disregarded if the contingency is remote or incidental. We believe that the contingencies on the Junior Subordinated Notes, notably the possibility that an amount in excess of the principal of, or stated interest on, the Junior Subordinated Notes might be required to be paid upon a Rating Agency Event (see Description of the Junior Subordinated Notes Right to Redeem Upon a Rating

Table of Contents

Agency Event), are remote for this purpose, and we intend to take the position that the contingent payment debt instrument rules of the Treasury regulations do not apply. A successful challenge of this position by the IRS could affect the timing and amount of income inclusions with respect to the Junior Subordinated Notes, and could also cause any gain from the sale or other disposition of a Junior Subordinated Note to be treated as ordinary income rather than as capital gain. Our position is binding on a beneficial owner of Junior Subordinated Notes, unless the beneficial owner discloses in the proper manner to the IRS that it is taking a different position. Beneficial owners of the Junior Subordinated Notes should consult their tax advisors regarding the possible application of the contingent payment debt instrument rules to the Junior Subordinated Notes. The remainder of this summary assumes that the Junior Subordinated Notes will not be considered to be contingent payment debt instruments.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, BENEFICIAL OWNERS OF JUNIOR SUBORDINATED NOTES ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS SUPPLEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY SUCH BENEFICIAL OWNERS OR ANY OTHER PERSONS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE OFFERING OF JUNIOR SUBORDINATED NOTES OR OTHER MATTERS ADDRESSED HEREIN; AND (C) BENEFICIAL OWNERS OF JUNIOR SUBORDINATED NOTES SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THIS SUMMARY IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON THE PARTICULAR SITUATION OF A BENEFICIAL OWNER OF JUNIOR SUBORDINATED NOTES.

Classification of the Junior Subordinated Notes as Indebtedness

The determination of whether an instrument is classified as indebtedness, rather than as equity, for U.S. federal income tax purposes requires a judgment based on all relevant facts and circumstances. There is no statutory, judicial, or administrative authority that directly addresses the U.S. federal income tax treatment of an instrument similar to the Junior Subordinated Notes. Based upon an analysis of the relevant facts and circumstances, Foley & Lardner LLP, our tax counsel, will provide us with an opinion to the effect that, although the matter is not free from doubt, the Junior Subordinated Notes will be treated as indebtedness for U.S. federal income tax purposes. This opinion will be based in part on certain representations made by us to Foley & Lardner LLP and upon certain customary assumptions. This opinion is not binding on the IRS or any court and there can be no assurance that the IRS or a court will agree with this opinion. We agree, and by acquiring an interest in a Junior Subordinated Note each beneficial owner of a Junior Subordinated Note will agree, to treat the Junior Subordinated Notes as indebtedness for U.S. federal income tax purposes. The remainder of this summary assumes that the Junior Subordinated Notes are classified as indebtedness for U.S. federal income tax purposes. Beneficial owners of Junior Subordinated Notes should consult their own tax advisors regarding the tax consequences if the Junior Subordinated Notes are not treated as indebtedness for U.S. federal income tax purposes.

Original Issue Discount

Under the applicable U.S. Treasury regulations, the possibility that interest on the Junior Subordinated Notes might be deferred could result in the Junior Subordinated Notes being deemed to be issued with original issue discount (sometimes referred to as OID), unless the likelihood of a deferral is remote within the meaning of the regulations. We have determined that the likelihood of interest deferral is remote and we therefore believe that the possibility of such a deferral will not result in the Junior Subordinated Notes being deemed to be issued with OID.

Table of Contents

Regardless of our determination, however, the IRS may assert that the likelihood of interest deferral is not remote. If the likelihood of interest deferral were determined not to be remote, or if interest were in fact deferred, the Junior Subordinated Notes would be deemed to be issued with OID at the time of issuance or at the time that any such deferral actually occurs, as the case may be. Then, all stated interest on the Junior Subordinated Notes would thereafter be treated as OID as long as the Junior Subordinated Notes remain outstanding. In such an event, a beneficial owner would be required to accrue interest income on its Junior Subordinated Notes using a constant yield method, regardless of that beneficial owner's regular method of accounting, and would be required to accrue interest income before the beneficial owner actually receives any cash payment attributable to that interest.

If the Junior Subordinated Notes are deemed to be issued with OID at the time of issuance, or at a subsequent time by reason of an actual interest deferral, a beneficial owner's tax basis in the Junior Subordinated Notes generally will be its initial purchase price (net of accrued interest paid upon purchase), increased by OID previously includible in that beneficial owner's gross income to the date of disposition, and decreased by payments received by that beneficial owner on the Junior Subordinated Note since and including the date that the Junior Subordinated Notes were deemed to be issued with OID.

The remainder of this summary assumes that the Junior Subordinated Notes are not deemed to be issued with OID.

U.S. Holders

Interest and gains upon disposition

The interest on the Junior Subordinated Notes will be taxable to a U.S. Holder as ordinary income as the interest accrues or is paid (in accordance with the U.S. Holder's method of tax accounting).

In the case of a sale or other disposition (including a retirement) of a Junior Subordinated Note, a U.S. Holder will recognize gain or loss equal to the difference, if any, between the amount received (other than any amount representing accrued but unpaid interest, which will be treated as ordinary income to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in the Junior Subordinated Note.

A gain or loss recognized by a U.S. Holder on a sale or other disposition of a Junior Subordinated Note generally will constitute capital gain or loss. Capital gains recognized by an individual upon the sale or other disposition of a Junior Subordinated Note that is held for more than one year are generally eligible for reduced rates of U.S. federal income taxation. The deductibility of a capital loss recognized upon the sale or other disposition of a Junior Subordinated Note is subject to limitations.

Unearned Income Medicare Contribution Tax

For taxable years beginning after December 31, 2012, a 3.8% Medicare contribution tax will be imposed on the net investment income of certain United States individuals and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income generally includes interest and certain net gain from the disposition of property, less certain deductions.

Backup withholding and information reporting

In general, information reporting requirements will apply with respect to payments of principal and interest on the Junior Subordinated Notes to a U.S. Holder, and with respect to payments to a U.S. Holder of any proceeds from a disposition of the Junior Subordinated Notes. In addition, a U.S. Holder may be subject to a backup withholding tax on payments with respect to the Junior Subordinated Notes if the U.S. Holder fails to supply its correct taxpayer identification number in the manner required by applicable law, fails to certify that it is not subject to the backup withholding tax, or otherwise fails to comply with applicable backup withholding tax rules.

Table of Contents

Any amounts withheld from a U.S. Holder under the backup withholding provisions may be credited against the U.S. federal income tax liability of the U.S. Holder, and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest

Interest earned on a Junior Subordinated Note by a Non-U.S. Holder will be considered portfolio interest, and (subject to the discussion under the heading Foreign Account Tax Compliance below) will not be subject to U.S. federal income tax or withholding, if:

the Non-U.S. Holder is neither (i) a controlled foreign corporation that is related to us as described in Section 881(c)(3)(C) of the Code, (ii) a bank receiving the interest on a loan made in the ordinary course of its business, nor (iii) a person who owns, directly or under the attribution rules of Section 871(h)(3)(C) of the Code, 10% or more of the voting power of all our stock;

the certification requirements described below are satisfied; and

the interest is not effectively connected with the conduct of a trade or business (or, if a United States income tax treaty applies, is not attributable to a permanent establishment maintained) within the United States by the Non-U.S. Holder.

In general, the certification requirements will be satisfied if either (a) the beneficial owner of the Junior Subordinated Note provides, to the person that otherwise would be required to withhold U.S. tax, a properly completed IRS Form W-8BEN (or a suitable substitute form) that includes the beneficial owner's name and address and that certifies, under penalties of perjury, that the beneficial owner is not a United States person, or (b) a securities clearing organization, bank, or other financial institution which holds customers' securities in the ordinary course of its trade or business holds the Junior Subordinated Note on behalf of a beneficial owner and provides to the person that otherwise would be required to withhold U.S. tax, a statement certifying under penalties of perjury that an applicable IRS Form W-8BEN (or a suitable substitute form) has been received by it from the beneficial owner, or from another financial institution acting on behalf of the beneficial owner, and furnishes a copy to the person that otherwise would be required to withhold U.S. tax. These certification requirements may be satisfied with other documentary evidence in the case of a Junior Subordinated Note held through a qualified intermediary.

Any payments to a Non-U.S. Holder of interest that do not qualify for the portfolio interest exemption and that are not effectively connected with the conduct of a trade or business (or, if a United States income tax treaty applies, are not attributable to a permanent establishment maintained) within the United States by the Non-U.S. Holder will be subject to U.S. federal income tax and withholding at a rate of 30% (or at a lower rate under an applicable income tax treaty). To claim a reduction or exemption under an applicable income tax treaty, a Non-U.S. Holder must generally submit, to the person that otherwise would be required to withhold U.S. tax, a properly completed IRS Form W-8BEN (or a suitable substitute form).

Any interest earned on a Junior Subordinated Note that is effectively connected with the conduct of a trade or business (and, if a United States income tax treaty applies, is attributable to a permanent establishment maintained) within the United States by a Non-U.S. Holder will be subject to U.S. federal income tax at regular graduated rates. If the Non-U.S. Holder is classified as a corporation for U.S. federal income tax purposes, such income will also be taken into account for purposes of determining the amount of U.S. branch profits tax, which is imposed at a rate of 30% (or at a lower rate under an applicable income tax treaty) on effectively connected earnings and profits, subject to certain adjustments. However, such effectively connected income will not be subject to U.S. federal income tax withholding, provided that the Non-U.S. Holder furnishes a properly completed IRS Form W-8ECI (or a suitable substitute form) to the person that otherwise would be required to withhold U.S. tax.

Table of Contents

Gains upon disposition

Subject to the discussion of backup withholding below and the discussion under the heading *Foreign Account Tax Compliance* below, any gain (other than an amount representing accrued but unpaid interest, which is treated as described above in *Non-U.S. Holders Interest*) recognized by a Non-U.S. Holder upon a sale or other taxable disposition (including a redemption or retirement) of a Junior Subordinated Note generally will not be subject to U.S. federal income tax or withholding unless (i) the gain is effectively connected with the conduct of a trade or business (and, if a United States income tax treaty applies, is attributable to a permanent establishment maintained) within the United States by the Non-U.S. Holder (in which case the gain will be subject to U.S. federal income tax at regular graduated rates and will also be taken into account for purposes of determining the amount of the United States branch profits tax described above in *Non-U.S. Holders Interest*), or (ii) in the case of a Non-U.S. Holder who is an individual, such individual is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met (in which case such individual will be subject to a 30% U.S. federal income tax on the gain, which gain may be offset by certain U.S.-source capital losses).

Backup withholding and information reporting

Any payments of interest on the Junior Subordinated Notes to a Non-U.S. Holder generally will be reported to the IRS and to the Non-U.S. Holder, whether or not such interest is exempt from U.S. withholding tax pursuant to a tax treaty or the *portfolio interest* exemption. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Any payments of interest on the Junior Subordinated Notes to a Non-U.S. Holder generally will not be subject to backup withholding and additional information reporting, provided that the Non-U.S. Holder certifies, under penalties of perjury, on a properly completed IRS Form W-8BEN or W-8ECI (or a suitable substitute form) that it is not a United States person and certain other conditions are met, or the Non-U.S. Holder otherwise establishes an exemption.

The payment to a Non-U.S. Holder of the proceeds of a disposition of a Junior Subordinated Note by or through a broker generally will not be subject to information reporting or backup withholding if the Non-U.S. Holder either certifies, under penalties of perjury, on a properly completed IRS Form W-8BEN or W-8ECI (or a suitable substitute form) that it is not a United States person and certain other conditions are met, or the Non-U.S. Holder otherwise establishes an exemption. Information reporting and backup withholding generally will not apply to the payment of the proceeds of a disposition of a Junior Subordinated Note by or through the foreign office of a foreign broker (as defined in applicable Treasury regulations). Information reporting requirements (but not backup withholding) will apply, however, to a payment of the proceeds of the disposition of a Junior Subordinated Note by or through a foreign office of a U.S. broker or of a foreign broker with certain relationships to the United States, unless the broker has documentary evidence in its records that the holder is not a United States person and certain other conditions are met, or the holder otherwise establishes an exemption.

Any amounts withheld from a Non-U.S. Holder under the backup withholding provisions may be credited against the U.S. federal income tax liability of the Non-U.S. Holder, and may entitle the Non-U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Account Tax Compliance

Under the Hiring Incentives to Restore Employment Act (sometimes referred to as the HIRE Act), U.S. withholding taxes generally will be imposed on certain types of payments made after December 31, 2012 to *foreign financial institutions* and to certain other non-U.S. entities. This withholding tax will be imposed at a 30% rate on payments of interest on, or gross proceeds from the sale or other disposition of, debt obligations issued by a United States person if the payments are made to a foreign financial institution, unless the foreign financial institution enters into (or is deemed to have entered into) an agreement with the U.S. Treasury to among

Table of Contents

other things, undertake to identify accounts held by certain United States persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent the financial institution from complying with these reporting and other requirements. In addition, the legislation generally imposes a 30% withholding tax on similar types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial United States owners or the entity furnishes identifying information regarding each substantial United States owner.

The IRS has issued regulations and other guidance providing that the withholding tax on interest will not be imposed with respect to payments made prior to July 1, 2014, and that the withholding tax on gross proceeds from a disposition of a debt obligation will not be imposed with respect to payments made prior to January 1, 2017. In addition, certain grandfather rules provide that the withholding requirements generally will not apply to debt instruments outstanding on July 1, 2014 unless such instruments thereafter are materially modified.

Prospective investors should consult their tax advisors regarding this legislation.

Table of Contents**UNDERWRITING (CONFLICTS OF INTEREST)****General**

Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to certain conditions, we have agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of Junior Subordinated Notes set forth opposite that underwriter's name in the table below

Name	Principal Amount of Junior Subordinated Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$
J.P. Morgan Securities LLC	
Morgan Stanley & Co. LLC	
Wells Fargo Securities, LLC	
Total	\$

The underwriting agreement provides that the obligations of the underwriters to purchase the Junior Subordinated Notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the Junior Subordinated Notes, other than those the underwriters may purchase pursuant to the over-allotment option described below, if they purchase any of the Junior Subordinated Notes.