

Schott James F.  
Form 4  
August 20, 2010

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Schott James F.

2. Issuer Name and Ticker or Trading Symbol  
INTEGRYS ENERGY GROUP, INC. [TEG]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
700 NORTH ADAMS STREET, P. O. BOX 19001  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/18/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Vice Pres - External Affairs

GREEN BAY, WI 54307-9001

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code V  | Amount  |  |                                   |
| Common Stock                    | 08/18/2010                           |  | M                              | 1,318 A   | \$ 44.73  | 1,595  | D                                 |
| Common Stock                    | 08/18/2010                           |  | S                              | 1,318 D   | \$ 49   | 277  | D                                 |
| Common Stock                    |                                      |  |                                |   |   | 1,727.1731   | I By ESOP                         |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form**

SEC 1474 (9-02)

displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |              |                 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-----------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Am<br>Nu<br>Sha |
| Employee Stock Option (Right to buy)       | \$ 44.73<br><u>(1)</u>                                 | 08/18/2010                           |  | M                              | 1,318   | 12/10/2004   | 12/10/2013  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 41.58<br><u>(2)</u>                                 |                                      |  |                                |   | 02/11/2011   | 02/11/2020  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 42.12<br><u>(3)</u>                                 |                                      |  |                                |   | 02/12/2010   | 02/12/2019  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 48.11<br><u>(4)</u>                                 |                                      |  |                                |   | 12/08/2005   | 12/08/2014  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 48.36<br><u>(5)</u>                                 |                                      |  |                                |   | 02/14/2009   | 02/14/2018  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 52.73<br><u>(6)</u>                                 |                                      |  |                                |   | 12/07/2007   | 12/07/2016  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 54.85<br><u>(7)</u>                                 |                                      |  |                                |   | 12/07/2006   | 12/07/2015  | Common Stock |                 |
| Employee Stock Option (Right to buy)       | \$ 58.65<br><u>(8)</u>                                 |                                      |  |                                |   | 05/17/2008   | 05/17/2017  | Common Stock |                 |

buy)

|                             |                     |                            |                 |              |    |
|-----------------------------|---------------------|----------------------------|-----------------|--------------|----|
| Performance Rights          | \$ 0 <sup>(9)</sup> | 01/01/2011 <sup>(10)</sup> | 06/30/2011      | Common Stock |    |
| Performance Rights          | \$ 0 <sup>(9)</sup> | 01/01/2012 <sup>(10)</sup> | 06/30/2012      | Common Stock |    |
| Performance Rights          | \$ 0 <sup>(9)</sup> | 01/01/2013 <sup>(10)</sup> | 06/30/2013      | Common Stock |    |
| Phantom Stock Unit          | <sup>(11)</sup>     | <sup>(12)</sup>            | <sup>(13)</sup> | Common Stock | 3, |
| Restricted Stock Units 2008 | <sup>(14)</sup>     | <sup>(15)</sup>            | <sup>(15)</sup> | Common Stock | 2  |
| Restricted Stock Units 2009 | <sup>(14)</sup>     | <sup>(16)</sup>            | <sup>(16)</sup> | Common Stock | 3  |
| Restricted Stock Units 2010 | <sup>(14)</sup>     | <sup>(17)</sup>            | <sup>(17)</sup> | Common Stock | 4  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                              |       |
|--|---------------|-----------|------------------------------|-------|
|  | Director      | 10% Owner | Officer                      | Other |
| Schott James F.<br>700 NORTH ADAMS STREET<br>P. O. BOX 19001<br>GREEN BAY, WI 54307-9001 |               |           | Vice Pres - External Affairs |       |

## Signatures

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

08/20/2010

<sup>(1)</sup>Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The option vests in four equal annual installments beginning on December 10, 2004.
- (2) The option vests in four equal annual installments beginning on February 11, 2011.
- (3) The option vests in four equal annual installments beginning on February 12, 2010.
- (4) The option vests in four equal annual installments beginning on December 8, 2005.
- (5) The option vests in four equal annual installments beginning on February 14, 2009.
- (6) The option vests in four equal annual installments beginning on December 7, 2007.
- (7) The option vests in four equal annual installments beginning on December 7, 2006.

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- (8) The option vests in four equal annual installments beginning on May 17, 2008.
- (9) Performance rights vest and are issued three years after the performance rights are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
- (10) Performance rights vest and are issued three years after the performance rights are awarded and the final number of shares issued is determined based on company performance against an established industry benchmark.
- (11) These phantom stock units convert to common stock on a one-for-one basis.
- (12) Unless the participant has selected a later commencement date, distribution of stock and equivalents will commence within 60 days following the end of the calendar year in which occurs the participant's retirement or termination of service.
- (13) Unless the participant has selected a later commencement date, distribution of stock and equivalents will commence within 60 days following the end of the calendar year in which occurs the participant's retirement or termination of service.
- (14) Each restricted stock unit represent a contingent right to receive one share of TEG common stock.
- (15) The restricted stock units vest in four equal annual installments beginning on February 14, 2009.
- (16) The restricted stock units vest in four equal annual installments beginning on February 12, 2010.
- (17) The restricted stock units vest in four equal annual installments beginning on February 11, 2011.

### **Remarks:**

Table I, Line 3 reflects shares allocated by the Company's ESOP on March 31 and June 30, 2010. Table II reflects dividends

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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