

INTEGRYS ENERGY GROUP, INC.

Form 4

December 19, 2014

FORM 4

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

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Cloninger Charles A

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
12/17/2014

____ Director
 Officer (give title below) Executive VP, Electric Segment
____ 10% Owner
____ Other (specify below)

700 NORTH ADAMS STREET, P.O. BOX 19001

(Street)

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

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

GREEN BAY, WI 54307-9001

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				Code V Amount (A) or (D) Price			
Common Stock	12/17/2014		M	2,566 A \$ 75.68	2,631.7795	D	
Common Stock	12/17/2014		D	513 ⁽¹⁾ D \$ 75.68	2,118.7795	D	
Common Stock	12/17/2014		F	730.6053 D \$ 75.68	1,388.1742	D	
Common Stock					6,119.8557	I	By Employee Stock Ownership

Plan

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (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	Amount of Shares
Performance Rights	\$ 0 ⁽²⁾	12/17/2014		M	2,193	01/01/2015 ⁽³⁾	03/15/2015	Common Stock	
Performance Rights	\$ 0 ⁽²⁾					01/01/2016 ⁽²⁾	03/15/2016	Common Stock	
Performance Rights	\$ 0 ⁽²⁾					01/01/2017 ⁽²⁾	03/15/2017	Common Stock	
Phantom Stock Unit	⁽⁴⁾					⁽⁵⁾	⁽⁵⁾	Common Stock	4,6
Restricted Stock Units 2011	⁽⁶⁾					02/10/2012	02/10/2015	Common Stock	21
Restricted Stock Units 2012	⁽⁶⁾					02/09/2013	02/09/2016	Common Stock	42
Restricted Stock Units 2013	⁽⁶⁾					02/14/2014	02/14/2017	Common Stock	64
Restricted Stock Units 2014	⁽⁶⁾					02/13/2015	02/13/2018	Common Stock	82

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

2

Director 10% Owner Officer

Other

Cloninger Charles A
 700 NORTH ADAMS STREET
 P.O. BOX 19001
 GREEN BAY, WI 54307-9001

Executive VP, Electric Segment

Signatures

Dane E. Allen, as Power of Attorney for Mr.
 Cloninger

12/19/2014

__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) A portion of the performance share payout was deferred; with 100% of the deferred portion going into other mutual funds and not Company common stock. Under the terms of the plan, payout deferrals may be deferred into Company common stock or other mutual funds within the Deferred Compensation Plan.
 - (2) Performance stock rights represent the right to receive shares of common stock of the Company, in the event certain performance goals are satisfied. These goals are based on Company performance against an established industry benchmark, over a three year performance period. The final award of shares issued can be between 0% and 200% of the reported target award.
 - (3) Effective October 24, 2014, the Board of Directors approved the acceleration of the distribution of performance stock rights with a performance period ending December 31, 2014, and a portion of the estimated distribution became payable effective December 17, 2014.
 - (4) These phantom stock units convert to common stock on a one-for-one basis.
 - (5) Upon retirement or termination of service, distribution of phantom stock units will commence in January of the year that is both (1) following the calendar year in which service terminates with the Company, and (2) at least six months following termination, or later if the participant selected a later date.
 - (6) Each restricted stock unit represent a contingent right to receive one share of Company common stock. The restricted stock units vest in four equal annual installments beginning on the exercisable date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.