

Laakso William D
Form 4
February 17, 2009

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 *
Laakso William D

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)

____ Director ____ 10% Owner
 Officer (give title below) ____ Other (specify below)

700 NORTH ADAMS STREET, P. O. BOX 19001

02/12/2009

VP - Human Resources

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

GREEN BAY, WI 54307-9001

(City) (State) (Zip)

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | | | | | 164 | D | |
| Common Stock | | | | | 382.1416 | I | By ESOP |

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

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SEC 1474 (9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Performance Rights | \$ 0 | 02/12/2009 | | H ⁽¹⁾ | 200 | 01/01/2009 | 06/30/2009 | Common Stock |
| Performance Rights | \$ 0 ⁽²⁾ | 02/12/2009 | | A | 2,213 | 01/01/2012 ⁽³⁾ | 06/30/2012 | Common Stock |
| Restricted Stock Units 2009 | ⁽⁴⁾ | 02/12/2009 | | A | 738 | ⁽⁵⁾ | ⁽⁵⁾ | Common Stock |
| Stock Option (Right to buy) | \$ 42.12 ⁽⁶⁾ | 02/12/2009 | | A | 9,339 | 02/12/2010 | 02/12/2019 | Common Stock |
| Restricted Stock Units 2008 | ⁽⁴⁾ | | | | | ⁽⁷⁾ | ⁽⁷⁾ | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Laakso William D 700 NORTH ADAMS STREET P. O. BOX 19001 GREEN BAY, WI 54307-9001 | | | VP - Human Resources | |

Signatures

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

02/17/2009

__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) Cancellation of long term incentive award with no payout being made.
- (2)

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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.

- (3) 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.
- (4) Each restricted stock unit represent a contingent right to receive one share of TEG common stock.
- (5) The restricted stock units vest in four equal annual installments beginning on February 12, 2010.
- (6) The option vests in four equal annual installments beginning on February 12, 2010.
- (7) The restricted stock units vest in four equal annual installments beginning on February 14, 2009.

Remarks:

Table I, Line 2 reflects shares allocated by the Company's ESOP program on December 30, 2008. Table II reflects dividends p

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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