INTEGRYS ENERGY GROUP, INC.
Form 424B5
August 12, 2013
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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)

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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 <u>Risk Factors</u> 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 **J.P. Morgan**
Morgan Stanley **Wells Fargo Securities**

The date of this prospectus supplement is August , 2013

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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.

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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.

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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.

- 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.

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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	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.
	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

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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

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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.

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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.

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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.

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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.

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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.

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.

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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;

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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.

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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
				(Unaudited)	
			(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	