

INTEGRYS ENERGY GROUP, INC.

Form 11-K/A

April 01, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K/A

ANNUAL REPORT PURSUANT TO
SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2006

OR

TRANSITION REPORT PURSUANT TO
SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number 33-6369

Full title of the Plan:

Peoples Energy Corporation
Employee Capital Accumulation Plan
and
Peoples Energy Corporation
Employee Thrift Plan

Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

IntegrYS Energy Group, Inc.
130 East Randolph Drive
Chicago, Illinois 60601

EXPLANATORY NOTE

This amended Annual Report on Form 11-K for the year ended December 31, 2006 is filed to restate the financial statements of the Employee Capital Accumulation and Thrift Trust and Participating Plans as of December 21, 2006 and 2005. The amended financial statements reflect a reallocation of assets between the two plans covered by the trust; the Peoples Energy Corporation Employee Capital Accumulation Plan and the Peoples Energy Corporation Employee Thrift Plan. The reallocation is to reflect transfers of participant account balances between the two plans. There were no other changes made in the financial statements filed with this report. The original Form 11-K was filed June 27, 2007.

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
AND PARTICIPATING PLANS

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
TOGETHER WITH REPORTS OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

AS OF DECEMBER 31, 2006 and 2005

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Report of Independent Registered Public Accounting Firm

Employee Benefit Administrator Committee
IntegrYS Energy Group, Inc.

We have audited the accompanying statement of net assets of Peoples Energy Corporation Employee Capital Accumulation and Thrift Trust and trust balances (the Trust) as of December 31, 2006, and the related statement of changes in net assets and trust balances for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Trust and trust balances as of December 31, 2005 were audited by other auditors whose report dated April 6, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Peoples Energy Corporation Employee Capital Accumulation and Thrift Trust and trust balances as of December 31, 2006, and the changes in its net assets and trust balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying statements are those of Peoples Energy Corporation Employee Capital Accumulation and Thrift Trust, which is established under Peoples Energy Corporation employee Capital Accumulation Plan and Peoples Energy Corporation Employee Thrift Plan; the statements do not purport to present the financial status of Peoples Energy Corporation Employee Capital Accumulation Plan and Peoples Energy Corporation Employee Thrift Plan. The statements do not contain certain information on accumulated plan benefits and other disclosures necessary for a fair presentation of the financial status of Peoples Energy Corporation Employee Capital Accumulation Plan and Peoples Energy Corporation Employee Thrift Plan in conformity with accounting principles generally accepted in the United States of America. Furthermore, these statements do not purport to satisfy the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 relating to the financial statements of employee benefit plans.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment at December 31, 2006 and reportable transactions for the year ended December 31, 2006 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plans' management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Hill, Taylor LLC

June 20, 2007, except for Note 8,
as to which the date is March 26, 2008

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
STATEMENTS OF NET ASSETS AND TRUST BALANCES
AS OF DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS		
Accounts Receivable:		
Accrued Interest and Dividends	\$ 598,615	\$ 405,990
Investments at Quoted Market Value	247,249,809	226,171,839
Total Assets	247,848,424	226,577,829
LIABILITIES		
Current Liability:		
Accrued Expenses	18,593	18,967
Total Liabilities	18,593	18,967
NET ASSETS	\$ 247,829,831	\$ 226,558,862

TRUST BALANCES FOR:

Peoples Energy Corporation Employee Capital Accumulation Plan, As Restated	\$ 167,011,637	\$ 154,020,995
Peoples Energy Corporation Employee Thrift Plan, As Restated	80,818,194	72,537,867
	\$ 247,829,831	\$ 226,558,862

The accompanying notes to financial statements are an integral part of these statements.

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
STATEMENTS OF CHANGES IN NET ASSETS AND TRUST BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
ADDITIONS		
Contributions:		
Employee Contributions	\$ 8,687,640	\$ 8,451,753
Employer Contributions	3,646,921	3,659,272
Rollover Contributions	974,044	263,407
Total Contributions	13,308,605	12,374,432
Income from Investments:		
Dividend Income	2,885,897	1,180,189
Interest Income	804,185	1,201,113
Total Income from Investments	3,690,082	2,381,302
Loan Payments:		
Interest	473,852	425,605
Net Gain:		
Net Unrealized Appreciation (Depreciation)	10,935,983	(4,191,874)
Net Realized Gains	13,426,016	7,771,284
Total Net Gain	24,361,999	3,579,410
TOTAL ADDITIONS	41,834,538	18,760,749
DEDUCTIONS		
Withdrawals	20,563,569	22,080,739
TOTAL DEDUCTIONS	20,563,569	22,080,739
Net Increase (Decrease) in Assets During the Year	21,270,969	(3,319,990)
Net Assets - Beginning of Year	226,558,862	229,878,852
NET ASSETS - END OF YEAR	\$ 247,829,831	\$ 226,558,862

The accompanying notes to financial statements are an integral part of these statements.

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 and 2005

NOTE 1 – ESTABLISHMENT OF THE TRUST

The Peoples Energy Corporation Employee Capital Accumulation and Thrift Trust (the Trust) was established to accumulate contributions and income thereon to be used to provide benefits under the Peoples Energy Corporation Employee Capital Accumulation Plan and the Peoples Energy Corporation Employee Thrift Plan (the Plans). The Northern Trust Company (Northern Trust) serves as Trustee for the Trust.

Peoples Energy Corporation (the Company) has received favorable determination letters for the Plans which entitle the Trust to exemption from Federal income tax liability. The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

a. Basis of Accounting

The accompanying statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

b. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

c. Payment of Benefits

Benefits are recorded when paid.

d. Administrative Expenses and Fees

The Plans' participants, through reduced earnings, pay recordkeeping, trustee, and investment management fees. During 2006 and 2005, such fees amounted to \$228,839 and \$222,551, respectively. The Company provides certain accounting and management services to the Plans at no cost. These services include audit fees, legal fees, and time provided by Company employees. Costs borne by the Company have been excluded from the accompanying financial statements since they were not paid from Trust assets. Accrued expenses at December 31, 2006 and 2005 of \$18,593 and \$18,967, respectively relate to the normal monthly invoices charged by the trustee and the record keeper.

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 and 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Participant Accounts

The underlying assets for each participant's account are maintained at the Trust level. Each participant's record is maintained at the Plan level and is credited with the participant's contributions and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

f. Recognition of Investment Gains and Losses

Purchases and sales of securities are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date. At the time the investments are sold, the difference between the original cost (computed on an average cost basis) and the proceeds received are recorded as a realized gain or loss in the financial statements.

The unrealized appreciation or depreciation of investments held at the end of the year represents the change in the market value of the investments from the beginning of the Plan year (or date the investments were purchased, if later) to the end of the Plan year.

g. Investments

Investments are included in the accompanying statements of net assets at fair market value as of the financial statement dates. Securities traded on security exchanges are valued at the closing price on the day of valuation, except for such securities included in the Northern Trust Global Investments (NTGI) Collective Fund Investment Trust for Employee Benefit Plans, which are valued at the closing net asset value on the day of valuation. Short-term credit investments (corporate notes) are valued at cost, which approximates market. Participant loans are valued at their outstanding balances, which approximate fair value.

PEOPLES ENERGY CORPORATION
EMPLOYEE CAPITAL ACCUMULATION AND THRIFT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 and 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - (Continued)

INVESTMENTS:

Investments in securities and the net appreciation (depreciation), which includes realized as well as unrealized gains or losses at December 31, consisted of the following:

	2006		2005	
	MARKET VALUE	NET CHANGE IN APPRECIATION (DEPRECIATION)	MARKET VALUE	NET CHANGE IN APPRECIATION (DEPRECIATION)
NTGI-QM Coltv Daily Russell 3000 Equity Index Fund-SL *	\$ 5,819,837	\$ 982,214	\$ 5,427,205	\$ 316,494
NTGI-QM Coltv Daily S&P 500 Equity Index Fund-SL *	50,793,147	7,163,863	48,528,512	2,218,994
NTGI Coltv Daily S&P 500/Barra Growth Eqty Indx Fd-SL *	23,050,576	2,335,028	22,082,613	846,675
NTGI Coltv Daily S&P 500/Barra Value Equity Indx Fd-SL *	21,575,104	3,719,032	18,931,958	1,009,867
NTGI-QM Coltv Daily Russell 2000 Equity Index Fund-SL *	17,242,174	2,591,692	14,544,017	570,757
NTGI Coltv Daily S&P MidCap 400 Equity Indx Fd-SL *	11,861,287	1,146,967	11,788,575	1,150,611
Northern Instl Fds Intl Equity Index Portfolio Class A *	13,858,419	722,152	8,520,490	