POWER INTEGRATIONS INC

Form 4

December 28, 2007

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or Form 5

obligations

may continue.

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Bailey Doug			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			POWER INTEGRATIONS INC [POWI]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	Director 10% Owner Officer (give title Other (specify		
5245 HELLYER AVE			12/26/2007	below) below) VP Marketing		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person		
SAN JOSE, CA 95138				Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acq	quired, Disposed of, or Beneficially Owned		

(City)	(State)	(Zip) Tabl	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. 4. Securities Acquired Fransaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) Instr. 8) (A) or			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	
Common Stock	12/26/2007		Code V M	Amount 1,300	(D)	Price \$ 19.73	1,300	D	
Common Stock	12/26/2007		S	1,300	D	\$ 33	0	D	
Common Stock	12/26/2007		M	100	A	\$ 19.73	100	D	
Common Stock	12/26/2007		S	100	D	\$ 33.05	0	D	
Common Stock	12/26/2007		M	200	A	\$ 19.73	200	D	

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Common Stock	12/26/2007	S	200	D	\$ 33.07	0	D
Common Stock	12/26/2007	M	242	A	\$ 19.73	242	D
Common Stock	12/26/2007	S	242	D	\$ 33.08	0	D
Common Stock	12/26/2007	M	58	A	\$ 19.73	58	D
Common Stock	12/26/2007	S	58	D	\$ 33.09	0	D
Common Stock	12/26/2007	M	700	A	\$ 19.73	700	D
Common Stock	12/26/2007	S	700	D	\$ 33.1	0	D
Common Stock	12/26/2007	M	600	A	\$ 19.73	600	D
Common Stock	12/26/2007	S	600	D	\$ 33.17	0	D

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

(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. Transactic Code (Instr. 8)	5. Number on f 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 Amor Underlying Secur (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amo or Num of Share
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007		M	1,300 (1)	11/30/2004	11/30/2014	Common Stock	1,3
Non-Qualified Stock Option	\$ 19.73	12/26/2007		M	100 (1)	11/30/2004	11/30/2014	Common Stock	10

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(right to buy)								
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007	M	200 (1)	11/30/2004	11/30/2014	Common Stock	20
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007	M	242 (1)	11/30/2004	11/30/2014	Common Stock	24
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007	M	58 (1)	11/30/2004	11/30/2014	Common Stock	58
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007	M	700 (1)	11/30/2004	11/30/2014	Common Stock	70
Non-Qualified Stock Option (right to buy)	\$ 19.73	12/26/2007	M	600 (1)	11/30/2004	11/30/2014	Common Stock	60

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Bailey Doug						
5245 HELLYER AVE			VP Marketing			
SAN JOSE, CA 95138						

Signatures

By: /s/ Rafael Torres Attorney-In-Fact For: Doug 12/28/2007 Bailey **Signature of Reporting Person

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) This sale is pursuant to a 10B5-1 Sales Plan

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.

Date

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