BALAKRISHNAN BALU

Form 4

October 19, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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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)

10/17/2007

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **BALAKRISHNAN BALU** Issuer Symbol POWER INTEGRATIONS INC (Check all applicable) [POWI] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner Other (specify X_ Officer (give title (Month/Day/Year) below) C/O POWER 10/17/2007 President and CEO INTEGRATIONS, 5245 HELLYER **AVE** (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 Form filed by More than One Reporting SAN JOSE, CA 95138 (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Form: Direct Indirect Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of (D) Securities (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially (D) or Beneficial (Month/Day/Year) (Instr. 8) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) V (D) Price Code Amount Common 10/17/2007 D M 200 4,552 14.82 Stock Common 10/17/2007 S 200 D 4,352 D Stock Common 300 D 10/17/2007 M 4,652 Stock Common S D 10/17/2007 300 4,352 D Stock

M

538

Α

4,890

D

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Common Stock					\$ 14.82	
Common Stock	10/17/2007	S	538	D	\$ 31.2 4,352	D
Common Stock	10/17/2007	M	700	A	\$ 12.1 5,052	D
Common Stock	10/17/2007	S	700	D	\$ 31.17 4,352	D
Common Stock	10/17/2007	M	262	A	\$ 12.1 4,614	D
Common Stock	10/17/2007	S	262	D	\$ 31.2 4,352	D

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

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SEC 1474 (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. Transactio Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exerci- Expiration Dat (Month/Day/Y	e	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/17/2007		M	700 (1)	05/31/2001	05/31/2011	Common Stock	700
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/17/2007		M	262 (1)	05/31/2001	05/31/2011	Common Stock	262
Non-Qualified Stock Option (right to buy)	\$ 14.82	10/17/2007		M	200 (1)	02/21/2002	02/21/2012	Common Stock	200
Non-Qualified Stock Option	\$ 14.82	10/17/2007		M	300 (1)	02/21/2002	02/21/2012	Common Stock	300

(right to buy)

Non-Qualified

02/21/2002 02/21/2012 **Stock Option** \$ 14.82 10/17/2007 M Stock (right to buy)

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

BALAKRISHNAN BALU C/O POWER INTEGRATIONS 5245 HELLYER AVE SAN JOSE, CA 95138

President and CEO

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Signatures

By:/s/ Rafael Torres Attnorney-In-Fact For: Balu 10/19/2007 Balakrishnan

> **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) 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.

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