

POWER INTEGRATIONS INC  
 Form 4  
 September 25, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Bell Derek

(Last) (First) (Middle)

C/O POWER  
 INTEGRATIONS, 5245 HELLYER  
 AVE

(Street)

SAN JOSE, CA 95138

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 POWER INTEGRATIONS INC  
 [powi]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 09/21/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 VP of Engineering

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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)	4. Securities Acquired (A) or Disposed of (D)				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)
			Code	V	Amount	Price			
Common Stock	09/21/2007		M		2,089	A \$ 12.1	6,898	D	
Common Stock	09/21/2007		S		2,089	D \$ 30	4,809	D	
Common Stock	09/21/2007		M		367	A \$ 12.1	5,176	D	
Common Stock	09/21/2007		S		367	D \$ 30.03	4,809	D	
	09/21/2007		M		467	A \$ 12.1	5,276	D	

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Common Stock							
Common Stock	09/21/2007	S	467	D	\$ 30.04	4,809	D
Common Stock	09/21/2007	M	134	A	\$ 12.1	4,943	D
Common Stock	09/21/2007	S	134	D	\$ 30.05	4,809	D
Common Stock	09/21/2007	M	105	A	\$ 12.1	4,914	D
Common Stock	09/21/2007	S	105	D	\$ 30.08	4,809	D
Common Stock	09/21/2007	M	33	A	\$ 12.1	4,842	D
Common Stock	09/21/2007	S	33	D	\$ 30.11	4,809	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. 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)	8. Amount or Number of Shares
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007		M	2,089 (1)	05/31/2001 05/31/2011	Common Stock	2,089
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007		M	367 (1)	05/31/2001 05/31/2011	Common Stock	367

