

Stone Carolyn J  
Form 4  
April 04, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
Stone Carolyn J

(Last) (First) (Middle)  
1000 LOUISIANA, SUITE 5800  
(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
DYNEGY INC. [DYN]

3. Date of Earliest Transaction (Month/Day/Year)  
04/02/2007

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)  
SVP and Controller

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) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 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 (A) or (D) Price   |  |                                   |
| Class A common stock            | 04/02/2007                           |  | A                              |   | 13,262 A \$ 13,262  | D  |                                   |
| Class A common stock            | 04/02/2007                           |  | A                              |   | 137 A \$ 137  | I  | By 401(k) Plan <sup>(2)</sup>     |
| Class A common stock            | 04/02/2007 <sup>(3)</sup>            |  | A <sup>(4)</sup>               |   | 9,514 A \$ 0 22,776   | D  |                                   |
| Class A common                  | 04/02/2007                           |  | F <sup>(5)</sup>               |   | 3,786 D \$ 18,990 9.67  | D  |                                   |

stock

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

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(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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date | Title   |                            |
| Employee Stock Option (Right to Buy)       | \$ 1.77  | 04/02/2007                           |  | A                              | 4,000   | 04/02/2007   | 02/04/2013      | Class A common stock  | 4,000                      |
| Employee Stock Option (Right to Buy)       | \$ 4.48  | 04/02/2007                           |  | A                              | 4,188   | 04/02/2007   | 02/10/2014      | Class A common stock  | 4,188                      |
| Employee Stock Option (Right to Buy)       | \$ 4.3   | 04/02/2007                           |  | A                              | 11,544  | 04/02/2007   | 01/19/2015      | Class A common stock  | 11,544                     |
| Employee Stock Option (Right to Buy)       | \$ 4.88  | 04/02/2007                           |  | A                              | 47,127  | 04/02/2007   | 03/16/2016      | Class A common stock  | 47,127                     |
| Employee Stock Option (Right to Buy)       | \$ 9.67  | 04/02/2007 <sup>(3)</sup>            |  | A                              | 37,475  | <u>(7)</u>   | 04/02/2017      | Class A common stock  | 37,475                     |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |                    |       |
|--|---------------|-----------|--------------------|-------|
|  | Director      | 10% Owner | Officer            | Other |
| Stone Carolyn J<br>1000 LOUISIANA<br>SUITE 5800<br>HOUSTON, TX 77002 |               |           | SVP and Controller |       |

## Signatures

|   |            |
|---|------------|
| /s/ Heidi D. Lewis,<br>Attorney-in-Fact | 04/04/2007 |
| **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) On April 2, 2007, Dynegy Inc., expected to be renamed Dynegy Illinois Inc. (the "Predecessor?"), merged into a wholly owned subsidiary (the "Merger?") of Dynegy Acquisition, Inc., now known as Dynegy Inc. (the "Issuer?"). In connection with the Merger, each share of Predecessor common stock was converted into the right to receive one share of Issuer common stock.

(2) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of April 2, 2007.

(3) The grants of the options and restricted stock were approved by a committee of the Issuer's board of directors on April 2, 2007.

(4) Restricted stock grant pursuant to Rule 16b-3(d). The stock vests in full on April 2, 2010.

(5) These shares were withheld by the Issuer to pay the taxes applicable to the vesting of 11,947 shares of restricted stock on April 2, 2007 in connection with the Merger.

(6) Each Predecessor stock option was converted into one Issuer stock option, with the same terms and conditions applicable to the Predecessor stock option, at the effective time of the Merger.

(7) Option grant pursuant to Rule 16b-3(d). The option becomes exercisable in three equal annual installments beginning April 2, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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