DYNEGY INC. Form 4 April 26, 2007

FORM 4

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

Check this box subject to

if no longer 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

2. Issuer Name and Ticker or Trading

DYNEGY INC. [DYN]

3. Date of Earliest Transaction

4. If Amendment, Date Original

(Month/Day/Year)

Filed(Month/Day/Year)

3.

04/24/2007

(Print or Type Responses)

1. Name and Address of Reporting Person * Blodgett J Kevin

(Middle) (Last) (First)

1000 LOUISIANA, SUITE 5800

HOUSTON, TX 77002

(City) (State) (Zip)

(Street)

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Month/Day/Year)

Symbol

(Instr. 8)

Code Disposed of (D) (Instr. 3, 4 and 5)

TransactionAcquired (A) or

4. Securities

(A)

(Instr. 3 and 4) Code V Amount (D) Price

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

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

any

5. Number 4. Transaction of Derivative Expiration Date Securities Code

6. Date Exercisable and (Month/Day/Year)

7. Title and Amount of 8 **Underlying Securities** (Instr. 3 and 4)

1

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

SEC 1474

(9-02)

Indirect

0.5

Estimated average burden hours per response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

General Counsel & Exec VP

6. Ownership

Form: Direct

(D) or Indirect Beneficial

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

Issuer

below)

Person

5. Amount of

Securities

Following

Reported

Transaction(s)

Owned

Beneficially

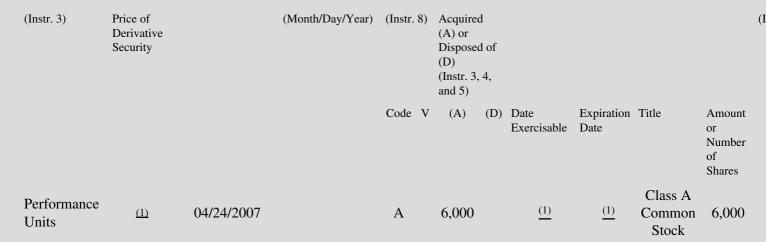
Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Director

Applicable Line)

X_ Officer (give title

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Blodgett J Kevin 1000 LOUISIANA SUITE 5800 HOUSTON, TX 77002

General Counsel & Exec VP

Signatures

/s/ Heidi D. Lewis, Attorney-in-Fact 04/26/2007

**Signature of Reporting Person Dat

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).

Denominated in \$100 units, which vest in April 2010 based on the average closing price of the Company's Class A common stock during March 2010 (or earlier in specified circumstances). Each unit will vest and be payable at variable levels based on the Company's share price performance compared to threshold, target, stretch and maximum share price performance goals, which represent compound annual growth rates above the average March 2007 Class A common share price (\$8.79) over the three-year performance period of

approximately 10%, 13%, 16% and 20%, respectively. The threshold, target, stretch and maximum share price performance goals, together with the associated payout levels, are as follows: Threshold - \$11.75 (0%); Target - \$12.75 (100%); Stretch - \$13.75 (200%); and Maximum - \$15.25 (300%). The Performance Units are payable in the form of cash or stock, in the discretion of the Company's Compensation and Human Resources Committee.

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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