

Blodgett J Kevin
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 *
Blodgett J Kevin

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
General Counsel & Exec VP

(Street)
HOUSTON, TX 77002

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

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

(City) (State) (Zip)

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) | | |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|---|-------------------------------|
| Class A common stock | 04/02/2007 | | A | V | 36,419 | A | Ⓛ 36,419 | D | |
| Class A common stock | 04/02/2007 | | A | V | 7,727 | A | Ⓛ 7,727 | I | By 401(k) Plan ⁽²⁾ |
| Class A common stock | 04/02/2007 ⁽³⁾ | | A ⁽⁴⁾ | V | 31,024 | A | \$ 0 67,443 | D | |
| Class A common | 04/02/2007 | | F ⁽⁵⁾ | V | 8,787 | D | \$ 58,656 | D | 9.67 |

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) | | | |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----|---------------------------------------------------------------|-----------------|----------------------|----------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Employee Stock Option (Right to Buy) | \$ 50.63 | 04/02/2007 | | A | | 2,571 | | 04/02/2007 | 10/16/2010 | Class A common stock | 2,571 |
| Employee Stock Option (Right to Buy) | \$ 47.19 | 04/02/2007 | | A | | 3,337 | | 04/02/2007 | 01/19/2011 | Class A common stock | 3,337 |
| Employee Stock Option (Right to Buy) | \$ 23.85 | 04/02/2007 | | A | | 7,077 | | 04/02/2007 | 12/21/2011 | Class A common stock | 7,077 |
| Employee Stock Option (Right to Buy) | \$ 1.77 | 04/02/2007 | | A | | 2,666 | | 04/02/2007 | 02/05/2013 | Class A common stock | 2,666 |
| Employee Stock Option (Right to Buy) | \$ 4.48 | 04/02/2007 | | A | | 16,753 | | 04/02/2007 | 02/10/2014 | Class A common stock | 16,753 |
| Employee Stock | \$ 4.3 | 04/02/2007 | | A | | 33,743 | | 04/02/2007 | 01/19/2015 | Class A common | 33,743 |

| | | | | | | | | | |
|--------------------------------------------------|---------|---------------------------|---|---------|----------------|------------|----------------------------|-------|--|
| Option (Right to Buy) | | | | | | | | stock | |
| Employee Stock Option (Right to Buy) | \$ 4.88 | 04/02/2007 | A | 114,943 | 04/02/2007 | 03/16/2016 | Class A common stock | 114,9 | |
| Employee Stock Option (Right to Buy) | \$ 9.67 | 04/02/2007 ⁽³⁾ | A | 122,200 | ⁽⁷⁾ | 04/02/2017 | Class A common stock | 122,2 | |

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

04/04/2007

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) The grants of the options and restricted stock were approved by a committee of the Issuer's board of directors on April 2, 2007.
 - (5) These shares were withheld by the Issuer to pay the taxes applicable to the vesting of 30,854 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. 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.