

Hochberg Jason  
Form 4  
April 04, 2007

**FORM 4**

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Hochberg Jason

(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)  
Exec VP

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Class B common stock	04/02/2007		P		340,000,000 (1)	A	(2) (1)
Class B common stock	04/02/2007(3)		A(4)		41,366	A	\$ 0 41,366

By LS Entities (1)

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

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**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)
Employee Stock Option (Right to Buy)	\$ 9.67	04/02/2007 <sup>(3)</sup>		A	162,933	<sup>(5)</sup> 04/02/2017	Class A common stock 162,933 Shares

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hochberg Jason 1000 LOUISIANA SUITE 5800 HOUSTON, TX 77002			Exec VP	

**Signatures**

/s/ Heidi D. Lewis,  
 Attorney-in-Fact  
 Date: 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).

As a result of the Reporting Person's position, relationship and/or other affiliation with the general partners of each of LSP Gen Investors, L.P., LS Power Partners, L.P., LS Power Equity Partners PIE I, L.P., LS Power Equity Partners, L.P. and LS Power Associates, L.P. (collectively, the "LS Entities"), the Reporting Person may be deemed the beneficial owner (for purposes of Section 16(a) of the

(1) Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act")) of the aggregate 340,000,000 shares of the Class B common stock of the Issuer (the "Shares") held by the LS Entities as of the date hereof. The Reporting Person disclaims beneficial ownership of the Shares, and this report shall not be deemed an admission that the Reporting Person is the beneficial owner of the Shares for purposes of Section 16 of the Exchange Act or for any other purpose.

In connection with the Plan of Merger, Contribution and Sale Agreement, dated as of September 14, 2006, by and among the Issuer, the LS Entities and the other parties thereto, the LS Entities received the Shares, \$100 million in cash and \$275 million in aggregate principal amount of Issuer notes in exchange for (i) the contribution by the LS Entities of all of the interests owned by them in entities that own 11 power generation facilities and (ii) a 50% interest in a newly formed limited liability company holding interests in certain power generation development projects; the Issuer also assumed approximately \$1.9 billion in net debt from the LS Entities. The consideration paid by the LS Entities was not allocated among the Shares, the cash consideration, the Issuer notes and the assumed debt, and the fair market value of the consideration is not known or readily determinable. Accordingly, this report does not disclose a specific purchase price for the Shares.

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- (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) 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.