

DYNEGY INC.  
Form 4  
March 10, 2008

**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)  
03/06/2008

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)
				(A) or (D) Price			
Class A Common	03/06/2008 <sup>(1)</sup>		A <sup>(2)</sup>	7,086 A \$ 0	26,076 <sup>(3)</sup>	D	
Class A Common					1,375	I	By 401(K) Plan <sup>(4)</sup>

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)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Performance Units	(5)	03/06/2008		A	1,060	(5) (5)	Class A Common Stock 1,060
Employee Stock Option (Right to Buy)	\$ 7.48	03/06/2008 <sup>(1)</sup>		A	29,202	(6) 03/06/2018	Class A Common 29,202

## Reporting Owners

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

## Signatures

/s/ Heidi D. Lewis,  
Attorney-in-Fact

03/10/2008

\*\*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) The grants of the options and restricted stock were approved by a committee of the Issuer's board of directors on March 6, 2008.
- (2) Restricted stock grant pursuant to Rule 16b-3(d). The stock vests in full on March 6, 2011.
- (3) Includes 9,514 shares of Restricted Class A common stock which vest in full on April 2, 2010.
- (4) Rounded. Reflects shares held for the reporting person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of March 6, 2008.
- (5) Denominated in \$100 units, which vest in March 2011 based on the average closing price of the Company's Class A common stock during February 2011 (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 the following threshold, target and maximum share price performance goals: Threshold - \$10.00 (payout - 0%); Target - \$12.00 (payout - 100%); and Maximum - \$14.00 (payout - 200%). For reference, these share price performance

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goals roughly equate to compound annual growth rates above the average February 2008 Class A common share price (\$7.70) over the three-year performance period of approximately 9%, 16% and 22%, respectively. The Performance Units are payable in the form of cash or stock, at the discretion of the Company's Compensation and Human Resources Committee.

(6) Option grant pursuant to Rule 16b-3(d). The option becomes exercisable in three equal annual installments beginning March 6, 2009.

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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