

DREYER ALEC G
Form 4
February 25, 2005

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 *
DREYER ALEC G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
02/23/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President-GEN.

(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)
			Code	V Amount (D) Price			
Class A Common Stock	02/23/2005 ⁽¹⁾		A ⁽²⁾	27,267 A \$ 0	107,277 ⁽³⁾	D	
Class A Common Stock					9,289	I	By 401(k) Plan ⁽⁴⁾
Class A Common Stock					4,556	I	By 401(k) Plan ⁽⁵⁾

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
Employee Stock Option (right to buy)	\$ 4.3	02/23/2005 ⁽¹⁾		A	88,798	⁽⁶⁾ 01/19/2015	Class A Common Stock 88,798

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
DREYER ALEC G 1000 LOUISIANA STREET SUITE 5800 HOUSTON, TX 77002	Executive Vice President-GEN.

Signatures

/s/ Carolyn M. Campbell,
Attorney-in-Fact

02/25/2005

Date

**Signature of Reporting Person

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 January 19, 2005 and communicated to the reporting person on February 23, 2005.
- (2) Restricted stock grant pursuant to Rule 16b-3(d). The stock vests in full on January 19, 2008.
- (3) Includes 37,109 shares of restricted stock which vest in full on February 10, 2007.
- (4) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of February 18, 2005.

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- (5) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Midwest Generation Inc. 401(k) Savings Plan as of February 18, 2005.
- (6) Option grant pursuant to Rule 16b-3(d). The option becomes exercisable in three equal annual installments beginning January 19, 2006.

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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