

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 \*  
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)  
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)  
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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Class A Common	03/06/2008 <sup>(1)</sup>		A <sup>(2)</sup>	23,396 A \$ 0	64,762 <sup>(3)</sup>	D	
Class A Common					958	I	By 401(K) Plan <sup>(4)</sup>
Class B Common Stock					340,000,000 <sup>(7)</sup>	I	By LS Entities <sup>(7)</sup>

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

**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)	Amount or Number of Shares
				Code V	(A) (D)	Date Exercisable Expiration Date	Title	
Performance Units	(5)	03/06/2008		A	3,500	(5) (5)	Class A Common Stock	3,500
Employee Stock Option (Right to Buy)	\$ 7.48	03/06/2008 <sup>(1)</sup>		A	96,419	(6) 03/06/2018	Class A Common	96,419

## 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

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 41,366 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.

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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

- (5) (payout - 0%); Target - \$12.00 (payout - 100%); and Maximum - \$14.00 (payout - 200%). For reference, these share price performance 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.

As a result of the Reporting Person's position, relationship and/or affiliation with the general partners of each of LSP Gen Investors, L.P., LS Power Partners, LP., LS Power Equity Partners PIE I, L.P., LS Power Equity Partners, L.P. and LS Power Associates, L.P.

- (7) (collectively, the "LS Entities"), the Reporting Person may be deemed the beneficial owner (for purposes of Section 16(a) of the 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 for any other purpose.

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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