

DYNEGY INC.  
Form 4  
August 15, 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

(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)  
08/13/2007

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)  
General Counsel & 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	(A) or (D)	Price
Class A Common Stock	08/13/2007		M		2,666	A	\$ 1.77
Class A Common Stock	08/13/2007		M		16,753	A	\$ 4.48
Class A Common Stock	08/13/2007		M		33,743	A	\$ 4.3
Class A Common	08/13/2007		M		114,943	A	\$ 4.88
							112,443
							227,386

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Stock									
Class A Common Stock	08/13/2007		S	76,059	D	\$ 9 (1)	151,327	D	
Class A Common Stock	08/13/2007		S	26,000	D	\$ 8.99 (1)	125,327	D	
Class A Common Stock	08/13/2007		S	10,000	D	\$ 8.97 (1)	115,327	D	
Class A Common Stock	08/13/2007		S	10,000	D	\$ 8.96 (1)	105,327	D	
Class A Common Stock	08/13/2007		S	15,000	D	\$ 8.95 (1)	90,327	D	
Class A Common Stock	08/13/2007		S	15,000	D	\$ 8.93 (1)	75,327	D	
Class A Common Stock	08/13/2007		S	4,000	D	\$ 8.92 (1)	71,327	D	
Class A Common Stock	08/13/2007		S	30,000	D	\$ 8.91 (1)	41,327	D	
Class A Common Stock	08/13/2007		S	10,000	D	\$ 8.9 (1)	31,327	D	
Class A Common Stock							8,734	I	By 401(k) Plan <sup>(2)</sup>

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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Security	(Instr. 3, 4, and 5)			Date Exercisable	Expiration Date	Title	Amount Number Shares	
	Code	V	(A) (D)					
Employee Stock Option (Right to Buy)	\$ 1.77	08/13/2007	M	2,666	04/02/2007	02/05/2013	Class A Common Stock	2,666
Employee Stock Option (Right to Buy)	\$ 4.48	08/13/2007	M	16,753	04/02/2007	02/10/2014	Class A Common Stock	16,753
Employee Stock Option (Right to Buy)	\$ 4.3	08/13/2007	M	33,743	04/02/2007	01/19/2015	Class A Common Stock	33,743
Employee Stock Option (Right to Buy)	\$ 4.88	08/13/2007	M	114,943	04/02/2007	03/16/2016	Class A Common Stock	114,943

## 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

08/15/2007

\*\*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) Proceeds exclude brokerage commissions, taxes and other costs associated with the transaction, including costs associated with the payment of underlying stock option exercise prices.
- (2)

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Rounded. Reflects shares held for the reporting person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of August 13, 2007.

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