DYNEGY INC /IL/ Form 4 January 19, 2007

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **GRIJALVA VICTOR**

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

DYNEGY INC /IL/ [DYN]

(Check all applicable)

(First) (Middle) (Last)

(Street)

3. Date of Earliest Transaction

(Month/Day/Year)

01/17/2007

X_ Director 10% Owner Other (specify Officer (give title

below)

32 DEERFIELD ROAD

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year) Applicable Line)

X 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

BROOKFIELD, CT 06804

Security

(Instr. 3)

(City) (State) (Zip) 1.Title of

2. Transaction Date 2A. Deemed 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D) (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) 5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4) (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form 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 3. Transaction Date 3A. Deemed 5. Number of 6. Date Exercisable and 7. Title and Amount of 4 Derivative Conversion (Month/Day/Year) Execution Date, if TransactionDerivative **Expiration Date Underlying Securities** Security or Exercise Code Securities (Month/Day/Year) (Instr. 3 and 4) (Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or

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Derivative Disposed of (D) Security (Instr. 3, 4, and 5) Code V Expiration Title (A) Date Amount or Exercisable Number of Date Shares Class A Phantom 2,071.82 (3) 01/17/2007 (3) Common (1) Α 2,071.82 Stock (2) Stock

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

GRIJALVA VICTOR

32 DEERFIELD ROAD X

BROOKFIELD, CT 06804

Signatures

By: Heidi D. Lewis, Attorney-in-Fact

01/19/2007

**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) These shares of phantom stock are convertible on a 1-for-1 basis.
- Reflects shares of phantom stock issued to the Reporting Person pursuant to the Dynegy Inc. Deferred Compensation Plan for Certain
 Directors, as amended, a Rule 16b-3 Plan with the issuer. The shares of phantom stock were issued in connection with the Reporting
 Person's director compensation for the fourth quarter of 2006, and the number of shares issued with respect to the quarter was calculated based on the closing price of the issuer's Class A common stock of \$7.24 on December 29, 2006, the last trading day of the quarter.
- Upon termination of the Reporting Person's service as a director, the shares of phantom stock become payable, at the election of the (3) Reporting Person, in a lump sum payment or in monthly, quarterly or annual installment payments following such termination. The shares of phantom stock are payable in cash or in shares of the issuer's Class A common stock.

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.

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