

STEPHENSON KENT R  
Form 3  
February 14, 2011

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *			2. Date of Event Requiring Statement		3. Issuer Name and Ticker or Trading Symbol	
Â STEPHENSON KENT R			(Month/Day/Year)		DYNEGY INC. [DYN]	
(Last)	(First)	(Middle)	02/07/2011		4. Relationship of Reporting Person(s) to Issuer	
1000 LOUISIANA STREET, Â SUITE 5800					5. If Amendment, Date Original Filed(Month/Day/Year)	
(Street)					(Check all applicable)	
HOUSTON, Â TX Â 77002					6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Senior VP, General Counsel	
					<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	14,196 <sup>(1)</sup>	D	Â
Common Stock	3,999	I	by 401(k) Plan <sup>(2)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Employee Stock Option (Right to Buy)	Â (3)	04/02/2017	Common Stock	7,739	\$ 48.35	D	Â
Employee Stock Option (Right to Buy)	Â (4)	03/06/2018	Common Stock	5,967	\$ 37.4	D	Â
Employee Stock Option (Right to Buy)	Â (5)	03/04/2019	Common Stock	25,455	\$ 5.65	D	Â
Employee Stock Option (Right to Buy)	Â (6)	03/03/2020	Common Stock	12,847	\$ 7.2	D	Â
Phantom Stock Units	Â (7)	Â (7)	Common Stock	22,302	\$ (7)	D	Â
Performance Units	Â (8)	Â (8)	Common Stock	2,101	\$ (8)	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEPHENSON KENT R 1000 LOUISIANA STREET SUITE 5800 HOUSTON, TX 77002	Â	Â	Â Senior VP, General Counsel	Â

## Signatures

/s/ Heidi D. Lewis  
02/14/2011

\*\*Signature of Reporting Person  
Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) Includes 1448 shares of restricted common stock which vest in full on March 6, 2011 and 7,583 shares of restricted common stock which vest in full on March 3, 2013.
- (2) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of February 8, 2011.
- (3) The option became exercisable in three equal installments beginning April 2, 2008.
- (4) The option became exercisable as to 1989 shares on March 6, 2009 and as to an additional 1989 shares on March 6, 2010. The remaining become exercisable beginning on March 6, 2011.
- (5) The option became exercisable as to 8485 shares on March 4, 2010. The remaining become exercisable in two equal annual installments beginning on March 4, 2011.
- (6) The option becomes exercisable in three equal installments beginning on March 3, 2011.

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- (7) Each unit of phantom stock is the economic equivalent of one share of common stock. The units of phantom stock become payable in cash within 30 days after the vesting date, March 4, 2012.

Denominated in \$100 units, which vest in March 2011 based on the average closing price of the Company's 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 -

- (8) 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 common stock 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.

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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