

DYNEGY INC.
Form 4
March 22, 2010

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 *
LS Power Development, L.L.C.

(Last) (First) (Middle)

TWO TOWER CENTER, 11TH FLOOR

(Street)

EAST BRUNSWICK, NJ 08816

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/18/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check 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

| 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 Indirect Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|-------------|
| | | | Code | V | Amount or Price | | | | |
| Class A Common Stock | 03/18/2010 | | S | | 1,010,696 (1) | D | \$ 93,989,304 1.4785 (2) | I | See Remarks |
| Class A Common Stock | 03/19/2010 | | S | | 819,300 (3) | D | \$ 93,170,004 1.4454 (4) | I | See Remarks |
| Class A Common Stock | 03/19/2010 | | S | | 4,400,000 (5) | D | \$ 1.4 88,770,004 (6) | I | See Remarks |

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

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Of these shares, LSP Associates directly holds 13,384,215 shares, LSPEP directly holds 47,987,282 shares, PIE I directly holds 29,098,232 shares, LSP Partners directly holds 1,558,360 shares and Gen Investors directly holds 1,141,915 shares.

- (5) Of these shares, LSP Associates sold 632,071 shares, LSPEP sold 2,266,206 shares, PIE I sold 1,374,158 shares, LSP Partners sold 73,598 shares and Gen Investors sold 53,967 shares.
- (6) Of these shares, LSP Associates directly holds 12,752,144 shares, LSPEP directly holds 45,721,076 shares, PIE I directly holds 27,724,074 shares, LSP Partners directly holds 1,484,762 shares and Gen Investors directly holds 1,087,948 shares.

Remarks:

LS Power Development LLC ("LSP Development") is the general partner of LS Power Partners, L.P. ("LSP Partners") and LS Power Associates, L.P. ("LSP Associates"). LSP Partners is the general partner of LS Power Equity Partners, L.P. ("LSPEP"), LS Power Equity Partners PIE I, L.P. ("PIE I") and LSP Gen Investors, L.P. ("Gen Investors").

As a result of its relationship with LSP Partners and LSP Associates, LSP Development may be deemed to have shared voting power with respect to the shares beneficially owned by the LSP Partners, LSP Associates, LSPEP, PIE I, and LSP Gen. As such, LSP Development may be deemed to have shared beneficial ownership of the shares of which such entities are the owners. LSP Development, however, disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that LSP Development is the beneficial owner of the Issuer's securities reported on this Form for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose. As a result of its relationship with LSPEP, PIE I, and Gen Investors, LSP Partners may be deemed to have shared voting and investment power with respect to shares beneficially owned by LSPEP, PIE I, and Gen Investors. As such, LSP Partners may be deemed to have shared beneficial ownership of the shares of which LSPEP, PIE I, and Gen Investors are the owners. LSP Partners, however, disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

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.