

DYNEGY INC.  
Form 4  
March 29, 2010

**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 \*  
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)  
03/25/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ 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 (D) Price					
Class A Common Stock	03/25/2010		S		677,677 (1)	D	\$ 1.3387 (2)	85,392,327 (2)	I	See Remarks
Class A Common Stock	03/26/2010		S		628,206 (3)	D	\$ 1.2707 (4)	84,764,121 (4)	I	See Remarks

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

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(9-02)

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**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)	8. Price of Derivative Security (Instr. 5)	9. Nu	Deriv	Secur	Bene	Own	Follo	Repo	Trans	(Instr
					Code V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares								

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LS Power Development, L.L.C. TWO TOWER CENTER 11TH FLOOR EAST BRUNSWICK, NJ 08816		X		

**Signatures**

/s/ Darpan Kapadia, Managing Director	03/29/2010
<i>**Signature of Reporting Person</i>	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) Of these shares, LS Power Associates, L.P. ("LSP Associates") sold 97,351 shares, LS Power Equity Partners, L.P. ("LSPEP") sold 349,038 shares, LS Power Equity Partners PIE I, L.P. ("PIE I") sold 211,648 shares, LS Power Partners, L.P. ("LSP Partners") sold 11,335 shares and LSP Gen Investors, L.P. ("Gen Investors") sold 8,305 shares.
  - (2) Of these shares, LSP Associates directly holds 12,266,928 shares, LSPEP directly holds 43,981,400 shares, PIE I directly holds 26,669,180 shares, LSP Partners directly holds 1,428,267 shares and Gen Investors directly holds 1,046,552 shares.
  - (3) Of these shares, LSP Associates sold 90,244 shares, LSPEP sold 323,559 shares, PIE I sold 196,197 shares, LSP Partners sold 10,507 shares and Gen Investors sold 7,699 shares.
  - (4) Of these shares, LSP Associates directly holds 12,176,684 shares, LSPEP directly holds 43,657,841 shares, PIE I directly holds 26,472,983 shares, LSP Partners directly holds 1,417,760 shares and Gen Investors directly holds 1,038,853 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 Gen Investors.

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 4 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 the 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.

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