DYNEGY INC /IL/ Form 4 April 20, 2006

FORM 4

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

OMB

OMB APPROVAL

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

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).

(Last)

(City)

1.Title of

Security

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person * **BAYLESS CHARLES E**

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

DYNEGY INC /IL/ [DYN] 3. Date of Earliest Transaction

X_ Director 10% Owner

(Check all applicable)

7300 N. SUNSET CANYON

(Month/Day/Year) 04/18/2006

4. If Amendment, Date Original

below) 6. Individual or Joint/Group Filing(Check

Officer (give title

Filed(Month/Day/Year)

Code

(Instr. 8)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

TUSCON, AZ 85718

(State) (Zip)

2. Transaction Date 2A. Deemed

4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or

5. Amount of Securities Beneficially Owned

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

Other (specify

Following Reported (A) or

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Disposed of (D)

(Instr. 3, 4 and 5)

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

(Month/Day/Year)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

(Instr. 4)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

Price of

(Instr. 3)

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if (Month/Day/Year)

5. Number of 4 TransactionDerivative Code Securities (Instr. 8) Acquired (A) or 6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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	Derivative Security				Disposed of (Instr. 3, 4, a 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock	(1)	04/18/2006	A		3,125 (2)		(3)	(3)	Class A Common Stock	3,125
Phantom Stock	(1)	04/18/2006	A		2,265.63 (2)		<u>(4)</u>	(5)	Class A Common Stock	2,265.63

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
BAYLESS CHARLES E 7300 N. SUNSET CANYON TUSCON, AZ 85718	X						

Signatures

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

04/20/2006

**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 first 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 \$4.80 on March 31, 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.
- These shares of phantom stock are deemed to be payable immediately as the Reporting Person may elect at any time to transfer the value (4) of such shares to an alternative investment fund maintained by the issuer under Dynegy Inc. Deferred Compensation Plan for Certain Directors, as amended.
- (5) Upon termination of the Reporting Person's service as a director, the shares of phantom stock become payable in cash, at the election of the Reporting Person, in a lump sum payment or in monthly, quarterly or annual installment payments following such termination.

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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