

DREYER ALEC G
Form 4
August 19, 2005

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 *
DREYER ALEC G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1000 LOUISIANA STREET, SUITE 5800

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2005

____ Director
 Officer (give title below) _____ Other (specify below)
Executive Vice President-GEN.

(Street)
HOUSTON, TX 77002

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Class A Common Stock	08/17/2005		M		30,000	A	\$ 1.77
Class A Common Stock					11,050	I	By 401(k) Plan ⁽²⁾
Class A Common Stock					4,542	I	By 401(k) Plan ⁽³⁾

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

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(9-02)

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)	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 1.77	08/17/2005		M	30,000	<u>(4)</u> 02/04/2013	Class A Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DREYER ALEC G 1000 LOUISIANA STREET SUITE 5800 HOUSTON, TX 77002			Executive Vice President-GEN.	

Signatures

/s/ Carolyn M. Campbell,
Attorney-in-Fact

08/19/2005

**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) Includes 37,109 shares of restricted Class A Common Stock which vest on February 10, 2007 and 27,267 shares of restricted Class A Common Stock which vest on January 19, 2008.
- (2) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Inc. 401(k) Savings Plan as of August 17, 2005.
- (3) Rounded. Reflects shares held for the Reporting Person's account by the Trustee of the Dynegy Midwest Generation Inc. 401(k) Savings Plan as of August 17, 2005.

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- (4) Options granted February 4, 2003 covering 90,000 shares become exercisable in three equal annual installments beginning February 4, 2004.

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.