GALT BARRY J Form 4 October 18, 2005

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16. Form 4 or Expires: January 31, 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per response... 0.5

Form 4 or 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

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person <u>*</u> GALT BARRY J

2. Issuer Name **and** Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

DYNEGY INC /IL/ [DYN]

(Check all applicable)

(Last) (First) (Middle)

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

X Director _____ 10% Owner ____ Officer (give title _____ Other (specify

1000 MAIN STREET, SUITE 3300

10/14/2005

below) below)

6. Individual or Joint/Group Filing(Check

(Street) 4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

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

HOUSTON, TX 77002

Security

(Instr. 3)

(City) (State) (Zip)

1.Title of 2. Transaction Date 2A. Deemed

2. Transaction Date 2A. Deemed 3. 4. Securities

(Month/Day/Year) Execution Date, if TransactionAcquired (A) or any Code Disposed of (D)

(Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Indirect Beneficial Owned (I) Ownership Following (Instr. 4) (Instr. 4)

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

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.

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

1. Title of 3. Transaction Date 3A. Deemed 5. Number of 6. Date Exercisable and 7. Title and Amount of 4 Derivative Conversion (Month/Day/Year) Execution Date, if TransactionDerivative **Expiration Date Underlying Securities** Security or Exercise Code Securities (Month/Day/Year) (Instr. 3 and 4) (Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or

SEC 1474

(9-02)

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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)	10/14/2005	A		3,184.71 (2)		(3)	(3)	Class A Common Stock	3,184.71
Phantom Stock	(1)	10/14/2005	A		5,573.25 (2)		<u>(4)</u>	<u>(5)</u>	Class A Common Stock	5,573.25

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
GALT BARRY J 1000 MAIN STREET SUITE 3300 HOUSTON, TX 77002	X						

Signatures

Carolyn M. Campbell, Attorney-in-Fact

**Signature of Reporting Person

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).

Date

- (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 third quarter of 2005, 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 \$4.71 on September 30, 2005, 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 the 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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