

DYNEGY INC.
Form 8-K
September 28, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)
September 28, 2009

DYNEGY INC.

DYNEGY HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	001-33443	20-5653152
Delaware	000-29311	94-3248415
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1000 Louisiana, Suite 5800, Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 507-6400
(Registrant's telephone number, including area code)

N.A.
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On April 30, 2009, Dynegy Inc. (“Dynegy”) and Dynegy Holdings Inc. (“DHI”), collectively “we”, “us” or “our”, completed the sale of our interest in the Heard County power generation facility for approximately \$105 million. We reported our operations with respect to the Heard County facility as a discontinued operation in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009.

On January 1, 2009, we adopted SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51 (“SFAS No. 160”), which requires: (i) ownership interests in subsidiaries held by parties other than the parent to be clearly identified, labeled, and presented in the consolidated statements of financial position within equity, but separate from the parent’s equity; (ii) the amount of consolidated net income (loss) attributable to the parent and to the noncontrolling interest to be clearly identified and presented on the face of the consolidated statements of operations; (iii) changes in a parent’s ownership interests that do not result in deconsolidation to be accounted for as equity transactions; and (iv) that a parent recognize a gain or loss in net income upon deconsolidation of a subsidiary, with any retained noncontrolling equity investment in the former subsidiary initially measured at fair value. SFAS No. 160 also requires retrospective application of all disclosure requirements. We have reported the Plum Point Project’s third-party ownership interests as noncontrolling interests within our financial statements in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009.

This Current Report on Form 8-K was prepared to provide updated financial information that (i) presents the Heard County facility as a discontinued operation and (ii) presents noncontrolling interests pursuant to SFAS No. 160 for all periods presented, as applicable in our Annual Report on Form 10-K for the year ended December 31, 2008, filed on February 26, 2009. It should be noted that Dynegy’s net income (loss) attributable to Dynegy Inc., or DHI’s net income (loss) attributable to Dynegy Holdings Inc., was not impacted by the reclassification of our operations with respect to the Heard County facility to discontinued operations. Furthermore, our adoption of SFAS No. 160 did not impact the Dynegy Inc.’s net income (loss) attributable to Dynegy Inc. common stockholders.

This report includes the combined filing of Dynegy and DHI. Unless the context indicates otherwise, throughout this report on Form 8-K, the terms “the Company”, “we”, “us”, “our” and “ours” are used to refer to both Dynegy and DHI and their direct and indirect subsidiaries. Discussions or areas of this report that apply only to Dynegy or DHI are clearly noted in such discussions or areas.

Please note that we have not otherwise updated our financial information or business discussion for activities or events occurring after the date this information was presented in our 2008 Form 10-K, except for disclosure of certain significant subsequent events in Note 25—Subsequent Events. You should read our Quarterly Reports on Form 10-Q for the periods ended March 31, 2009 and June 30, 2009, respectively, and our Current Reports on Form 8-K and any amendments thereto filed since our 2008 Form 10-K, for updated information.

This filing includes updated information for the following items included in our 2008 Form 10-K:

Item 6. Selected Financial Data

Item 7. Management’s Discussion and Analysis

Item 8. Financial Statements and Supplementary Data

Unaffected items of our 2008 Form 10-K have not been repeated in this Form 8-K.

Cross references that are included in the above items and that refer to information included on page numbers that are preceded by an "F" refer to the corresponding page included in this filing. Other cross references are to pages in our 2008 Form 10-K.

Item 6. Selected Financial Data

The selected financial information presented below was derived from, and is qualified by reference to, our Consolidated Financial Statements, including the notes thereto, contained elsewhere herein. The selected financial information should be read in conjunction with the Consolidated Financial Statements and related notes and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Dynegy's Selected Financial Data

	Year Ended December 31,				
	2008	2007	2006	2005	2004
	(in millions, except per share data)				
Statement of Operations Data (1):					
Revenues	\$3,543	\$3,092	\$1,761	\$2,010	\$2,250
Depreciation and amortization expense	(367)	(320)	(212)	(204)	(216)
Impairment and other charges	—	—	(119)	(46)	(78)
General and administrative expenses	(157)	(203)	(196)	(468)	(330)
Operating income (loss)	756	605	105	(832)	(59)
Interest expense and debt conversion expense	(427)	(384)	(631)	(389)	(453)
Income tax (expense) benefit	(95)	(151)	152	393	155
Income (loss) from continuing operations	195	123	(321)	(800)	(153)
Income (loss) from discontinued operations (3)	(24)	148	(13)	895	141
Cumulative effect of change in accounting principles	—	—	1	(5)	—
Net income (loss)	\$171	\$271	\$(333)	\$90	\$(12)
Net income (loss) attributable to Dynegy Inc. common stockholders	174	264	(342)	68	(37)
Basic earnings (loss) per share from continuing operations attributable to Dynegy Inc. common stockholders	\$0.24	\$0.15	\$(0.72)	\$(2.12)	\$(0.47)
Basic net income (loss) per share attributable to Dynegy Inc. common stockholders	0.20	0.35	(0.75)	0.18	(0.10)
Diluted earnings (loss) per share from continuing operations attributable to Dynegy Inc. common stockholders	\$0.24	\$0.15	\$(0.72)	\$(2.12)	\$(0.47)
Diluted net income (loss) per share attributable to Dynegy Inc. common stockholders	0.20	0.35	(0.75)	0.18	(0.10)
Shares outstanding for basic EPS calculation	840	752	459	387	378
Shares outstanding for diluted EPS calculation	842	754	509	513	504
Cash dividends per common share	\$—	\$—	\$—	\$—	\$—
Cash Flow Data:					
Net cash provided by (used in) operating activities	\$319	\$341	\$(194)	\$(30)	\$5
Net cash provided by (used in) investing activities	(102)	(817)	358	1,824	262
Net cash provided by (used in) financing activities	148	433	(1,342)	(873)	(115)

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Cash dividends or distributions to partners, net	—	—	(17)	(22)	(22)		
Capital expenditures, acquisitions and investments	(640)	(504)	(163)	(315)	(314)

1

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	2008	2007	December 31, 2006 (in millions)	2005	2004
Balance Sheet Data (2):					
Current assets	\$2,803	\$1,663	\$1,989	\$3,706	\$2,728
Current liabilities	1,702	999	1,166	2,116	