

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Dynergy Inc.

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

26816L 10 2

(CUSIP Number)

Lydia I. Beebe
Chevron U.S.A. Inc.
575 Market Street
San Francisco, CA 94105
(415) 894-7700

Terry M. Kee
Pillsbury Madison & Sutro
P.O. Box 7880
San Francisco, CA 94120
(415) 983-1000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 14, 1999

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss. 240.13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 26816L 10 2

- 1) Names of Reporting Persons
I.R.S. Identification Nos. of Above Persons (entities)

Chevron U.S.A. Inc.

- 2) Check the Appropriate Box if a Member of a Group
(See Instructions) (a) []
(b) [X]

- 3) SEC Use Only

- 4) Source of Funds (See Instructions)

00

- 5) Check if Disclosure of Legal Proceedings is
Required Pursuant to Items 2(d) or 2(e) []

- 6) Citizenship or Place of Organization

Pennsylvania

- 7) Sole Voting Power

38,789,876

Number of Shares
Beneficially
Owned by Each
Reporting
Person With

- 8) Shared Voting Power

0

9) Sole Dispositive Power

38,789,876

10) Shared Dispositive Power

0

11) Aggregate Amount Beneficially Owned by Each Reporting Person

38,789,876

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) []

13) Percent of Class Represented by Amount in Row (11)

25.4%

14) Type of Reporting Person (See Instructions)

CO

1) Names of Reporting Persons
 I.R.S. Identification Nos. of Above Persons
 (entities only)

Chevron Corporation

2) Check the Appropriate Box if a Member of a Group
 (See Instructions) (a)
 (b)

3) SEC Use Only

4) Source of Funds (See Instructions)

00

5) Check if Disclosure of Legal Proceedings is Required
 Pursuant to Items 2(d) or 2(e)

6) Citizenship or Place of Organization

Delaware

7) Sole Voting Power

0

8) Shared Voting Power

38,789,876

9) Sole Dispositive Power

0

10) Shared Dispositive Power

38,789,876

11) Aggregate Amount Beneficially Owned by Each
 Reporting Person

38,789,876

12) Check if the Aggregate Amount in Row (11) Excludes
 Certain Shares (See Instructions)

13) Percent of Class Represented by Amount in Row (11)

25.4%

14) Type of Reporting Person (See Instructions)

C0

Number of Shares
 Beneficially
 Owned by Each
 Reporting
 Person With

Chevron Corporation, a Delaware corporation ("Chevron") and its wholly owned subsidiary, Chevron U.S.A. Inc., a Pennsylvania corporation (the "Reporting Person"), hereby amend and supplement their Schedule 13D, originally filed on September 10, 1996 for Dynegy Inc., a Delaware corporation (the "Issuer") when it was formerly known as NGC Corporation. With respect to each contract, agreement or other document referred to herein and filed with the Securities and Exchange Commission as an exhibit to this report, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

Item 1. Security and Issuer.

This Statement relates to the Common Stock, \$0.01 par value per share (the "Common Stock") and the Series A Participating Preferred Stock, \$0.01 par value per share (the "Preferred Stock") of the Issuer (collectively, the "Issuer Stock"), whose principal executive offices are located at 1000 Louisiana, Suite 5800, Houston, Texas 77002.

Item 2. Identity and Background.

The response to Item 2 is hereby amended and supplemented as follows:

Schedules I and II which are attached hereto and incorporated herein in their entirety by reference, set forth the name, residence or business address, citizenship and certain employment information of each of the executive officers and directors of the Reporting Person and Chevron.

Item 3. Source and Amount of Funds or Other Consideration.

The shares of Issuer Stock owned by the Reporting Person will be exchanged for shares of a different issuer pursuant to the merger described in Item 4 below. Also, the Reporting Person has agreed, subject to completion of such merger, to purchase for cash additional equity from the resulting entity for an aggregate purchase price of \$200,000,000 to \$240,000,000 as described in Item 4. The funds for this purchase will come from the working capital of the Reporting Person.

Item 4. Purpose of Transaction.

Pursuant to an Agreement and Plan of Merger dated as of June 14, 1999 (the "Merger Agreement"), the Issuer and Illinova Corporation, an Illinois corporation ("Illinova"), agreed to enter into a transaction in which each of the Issuer and Illinova will become wholly owned subsidiaries of Energy Convergence Holding Company, a newly formed Illinois corporation ("Newco"). Dynegy Acquisition Corporation, a Delaware corporation ("DAC") and a wholly owned subsidiary of Newco, will be merged with and into the Issuer, and Energy Convergence Acquisition Corporation, an Illinois corporation and a wholly owned subsidiary of Newco, will be merged with and into Illinova. A copy of the Merger Agreement is filed as Exhibit 1 to this amendment to this Schedule 13D and is incorporated herein by reference to filings made by the Issuer.

Under the Merger Agreement, each share of Issuer Stock will be converted into the right to receive either \$16.50 in cash or 0.69 of a share of Newco Class A Common Stock pursuant to an election process. Holders of Illinova common stock will exchange one share of Newco for each Illinova share currently owned. The Reporting Person will receive Newco Class B Common Stock, no par value, in the exchange. The Reporting Person will be entitled to board representation of the Reporting Person, certain rights and limitations with respect to purchases and sales of Newco securities and other "blocking rights" with respect to large transactions by Newco. In addition, the terms require that should the ownership interest of the Reporting Person ever exceed 40% of Newco's equity securities, the Reporting Person will offer to purchase the remaining equity securities of Newco in accordance with certain specified procedures.

In connection with the Merger Agreement, the Reporting Person entered into a Voting Agreement with

Illinova dated as of June 14, 1999 whereby the Reporting Person has agreed to vote its shares of Issuer Stock in favor of the Merger Agreement and the transactions contemplated thereby. A copy of the Voting Agreement is filed as Exhibit 2 to this amendment to this Schedule 13D and is incorporated herein by reference to filings made by the Issuer.

On June 14, 1999, the Reporting Person also entered into a Subscription Agreement with Newco, whereby the Reporting Person agreed to purchase additional shares of Newco Class B Common Stock for an aggregate purchase price of \$200,000,000 to \$240,000,000 upon the closing date of the mergers contemplated by the Merger Agreement. A copy of the Subscription Agreement is filed as Exhibit 3 to this amendment to this Schedule 13D and is incorporated herein by reference to filings made by the Issuer.

In connection with the formation of Newco, the Reporting Person also entered into a Shareholder Agreement with Newco which will govern the relationship between Newco and the Reporting Person upon the closing date of the merger of DAC with and into the Issuer. A copy of the Shareholder Agreement is filed as Exhibit 4 to this amendment to this Schedule 13D and is incorporated herein by reference to filings made by the Issuer.

Finally, the Reporting Person has been granted registration rights with respect to the Newco Class B Common Stock pursuant to a Registration Rights Agreement with Newco, also dated as of June 14, 1999. A copy of the Registration Rights Agreement is filed as Exhibit 5 to this amendment to this Schedule 13D and is incorporated herein by reference to filings made by the Issuer.

Item 5. Interest in Securities of the Issuer.

The response to Item 5 is hereby amended and supplemented as follows:

(a) The aggregate number of shares of Common Stock of the Issuer beneficially owned by the Reporting Person is 38,789,876 shares. The shares of Common Stock owned by the Reporting Person represent approximately 25.4% of the outstanding shares of Common Stock of the Issuer (based on the April 20, 1999 Proxy Statement of the Issuer, in which 152,604,464 shares of Common Stock were reported as expected to be outstanding as of March 25, 1999).

The Reporting Person additionally owns 7,815,363 shares of the Preferred Stock of the Issuer, which is convertible into shares of Common Stock on a one-for-one basis upon the occurrence of certain events set forth in the Issuer's Certificate of Incorporation. If all the shares of Preferred Stock owned by the Reporting Person were converted into shares of Common Stock, the Reporting Person would own approximately 29.1% of the shares of Common Stock outstanding.

Chevron does not own any shares of the Issuer directly, but may be deemed to share beneficial ownership of all the shares of Common Stock owned by the Reporting Person by virtue of the ownership relationship described in Item 2.

(b) Subject to its obligations under the agreements described in this Schedule 13D, the Reporting Person has the sole power to vote and dispose of the 38,789,876 shares of Common Stock owned directly by it. Although the Reporting Person has sole voting and dispositive rights, Chevron may be deemed to share voting and dispositive power with regard to such shares by virtue of its ownership of 100% of the voting shares of the Reporting Person. Pursuant to the Voting Agreement described in Item 4 above, the Reporting Person has agreed to vote its shares of Issuer Stock in favor of the merger described in Item 4.

(c) Not applicable.

(d) Except as described above, no other person is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such shares of Common Stock beneficially owned by the Reporting Person or Chevron.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The response to Item 6 is hereby amended and supplemented as follows:

An Agreement and Plan of Merger was entered into as of June 14, 1999 by and among Newco, Issuer, Dynegy Acquisition Corporation, Illinova and Energy Convergence Acquisition Corporation. Although the Reporting Person is not a party to the Merger Agreement, the terms of the Merger Agreement affect the Reporting Person and its relationship to Issuer. (See Item 4, which is incorporated by reference.)

On June 14, 1999, the Reporting Person and Illinova entered into the Voting Agreement by which the Reporting Person has agreed to vote its shares of the Issuer's Common Stock in favor of the Merger Agreement. (See Item 4.)

On June 14, 1999, the Reporting Person also entered into the Subscription Agreement, the Shareholder Agreement, and the Registration Rights Agreement with Newco. (See Item 4.)

Copies of these agreements are filed as Exhibits to this amendment to this Schedule 13D and are incorporated herein by reference to filings made by the Issuer.

At present, there are no other contracts, arrangements, understandings, or relationships with respect to securities of the Issuer involving the Reporting Person.

Item 7. Material to be Filed as Exhibits.

1. Agreement and Plan of Merger by and among Newco, the Issuer, Dynegy Acquisition Corporation, Illinova and Energy Convergence Acquisition Corporation (to be incorporated by reference to Exhibit 2.1 of the Issuer's Current Report on Form 8-K dated June 14, 1999).

2. Voting Agreement between Illinova and the Reporting Person (incorporated by reference to Exhibit 10.5 to the Issuer's Current Report on Form 8-K dated June 14, 1999).

3. Subscription Agreement between Energy Convergence Holding Company and the Reporting Person (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K dated June 14, 1999).

4. Shareholder Agreement of Energy Convergence Holding Company with the Reporting Person (incorporated by reference to Exhibit 10.6 to the Issuer's Current Report on Form 8-K dated June 14, 1999).

5. Registration Rights Agreement (incorporated by reference to Exhibit 10.8 of the Issuer's Current Report on Form 8-K dated June 14, 1999).

SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: June 15, 1999

CHEVRON U.S.A. INC.

By /s/ Lydia I. Beebe

Lydia I. Beebe, Vice President
and Secretary

CHEVRON CORPORATION

By /s/ Lydia I. Beebe

Lydia I. Beebe, Secretary

SCHEDULE I

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of Chevron U.S.A. Inc. ("CUSA").

Name	Citizenship	Employment Information		
		Occupation	Business Address	Business of Employer
P. A. Woertz	U.S.	President of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
P. J. Robertson	U.S.	Executive Vice President of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
L. I. Beebe	U.S.	Vice President, Secretary of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
D. P. Smay	U.S.	Vice President and Assistant Secretary of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
H. P. Walker	U.S.	Vice President and Assistant Secretary of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
M. A. Humphrey	U.S.	Vice President of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
B. J. Koc	U.S.	Vice President of CUSA	575 Market Street San Francisco, CA 94105	See Item 2
R. H. Matzke	U.S.	President of Chevron Overseas Petroleum, a CUSA division	575 Market Street San Francisco, CA 94105	See Item 2

SCHEDULE II

The following table sets forth the name, residence or business address, citizenship, present principal occupation or employment, and the name, principal business and address of any corporation in which such employment is conducted, of each executive officer and director of Chevron Corporation ("Chevron").

Name	Citizenship	Employment Information		
		Occupation	Business Address	Business of Employer
K. T. Derr	U.S.	Chairman and Chief Executive Officer of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
J. N. Sullivan	U.S.	Vice Chairman of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
D. J. O'Reilly	U.S.	Vice Chairman of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
M. R. Klitten	U.S.	Vice President and Chief Financial Officer of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
D.W. Callahan	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
H. D. Hinman	U.S.	Vice President and General Counsel of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
G. K. Carter	U.S.	Vice-President and Treasurer of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
A. M. Caccamo	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
L. E. Elkins Jr.	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
G. Matiuk	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
R. H. Matzke	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
D. L. Paul	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
P. J. Robertson	U.K.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
J. S. Watson	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
P. A. Woertz	U.S.	Vice President of Chevron	575 Market Street San Francisco, CA 94105	See Item 2
S. H. Armacost	U.S.	Chairman, SRI International	333 Ravenwood Ave. Menlo Park, CA 94025	Consulting

Name	Citizenship	Employment Information		
		Occupation	Business Address	Business of Employer
S. Ginn	U.S.	Chairman and C.E.O. of AirTouch Communications, Inc.	One California Street San Francisco, CA 94111	Wireless telecommunications
C. A. Hills	U.S.	Chairman and C.E.O. of Hills & Company International Consultants	1200 19th Street, N.W. #201 Washington, DC 20036	Consulting
J.B. Johnston	U.S.	Chief Executive Officer, Johnston & Associates	1455 Pennsylvania Ave. NW, Washington, DC 20004	Consulting
C. M. Pigott	U.S.	Chairman Emeritus of PACCAR Inc	P.O. Box 1518 Bellevue, WA 98009	Transportation equipment manufacture
C. Rice	U.S.	Provost and Vice President of Stanford University	Building 10, Stanford University Stanford, CA 94305	Higher education
F.A. Shrontz	U.S.	Retired as Chairman of the Board and CEO of the Boeing Company	7755 E. Marginal Way S. Seattle, WA 98108	Manufacture of aircraft
J. A. Young	U.S.	Vice-Chairman of Novell, Inc.	3200 Hillview Ave. Palo Alto, CA 94304	Software
C-L Tien	U.S.	NEC Distinguished Professor of Engineering, University of California	6101 Etcheverey Hall Berkeley, CA 94720	Education

EXHIBIT INDEX

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