

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan <u>SITHE STABLE PENSION ACCOUNT PLAN</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ▶</td> <td><u>004</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>004</u>	1c Effective date of plan <u>01/01/2000</u>			
1b Three-digit plan number (PN) ▶	<u>004</u>						
1c Effective date of plan <u>01/01/2000</u>							
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SITHE ENERGIES, INC.</u> <u>601 TRAVIS STREET, SUITE 1400</u> <u>HOUSTON, TX 77002</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>13-3554926</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>713-507-6400</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>221100</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>13-3554926</u>	2c Sponsor's telephone number	<u>713-507-6400</u>	2d Business code (see instructions)	<u>221100</u>
2b Employer Identification Number (EIN)	<u>13-3554926</u>						
2c Sponsor's telephone number	<u>713-507-6400</u>						
2d Business code (see instructions)	<u>221100</u>						
3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address <u>DYNEGY INC. BENEFIT PLANS COMMITTEE</u> <u>601 TRAVIS STREET, SUITE 1400</u> <u>HOUSTON, TX 77002</u>	<table border="1"> <tr> <td>3b Administrator's EIN</td> <td><u>20-5653152</u></td> </tr> <tr> <td>3c Administrator's telephone number</td> <td><u>713-507-6400</u></td> </tr> </table>	3b Administrator's EIN	<u>20-5653152</u>	3c Administrator's telephone number	<u>713-507-6400</u>		
3b Administrator's EIN	<u>20-5653152</u>						
3c Administrator's telephone number	<u>713-507-6400</u>						
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. a Sponsor's name	<table border="1"> <tr> <td>4b EIN</td> <td></td> </tr> <tr> <td>4c PN</td> <td></td> </tr> </table>	4b EIN		4c PN			
4b EIN							
4c PN							
5a Total number of participants at the beginning of the plan year	5a <u>80</u>						
b Total number of participants at the end of the plan year.....	5b <u>80</u>						
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....	5c						
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	☒ Yes ☐ No						
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.).....	☒ Yes ☐ No						
If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.							

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2013</u>	<u>JULIUS COX</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional)			Preparer's telephone number (optional)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	1190676	1336757
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	1190676	1336757
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	0	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	175478	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		175478
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	3220	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	26177	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		29397
i Net income (loss) (subtract line 8h from line 8c)	8i		146081
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1A 1C 1G 1I 3H
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		15000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	☒ Yes	☐ No
11a	Enter the amount from Schedule SB line 39	11a	0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..	☐ Yes	☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)			
a	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year		
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.			
b	Enter the minimum required contribution for this plan year	12b	

c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?.....	☐ Yes ☐ No ☐ N/A	

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐ Yes ☒ No
c If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)	
13c(1) Name of plan(s):	13c(2) EIN(s)

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>SITHE STABLE PENSION ACCOUNT PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SITHE ENERGIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3554926</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>
2	Assets:
a	Market value 2a <u>1190675</u>
b	Actuarial value 2b <u>1166777</u>
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment..... 3a <u>2</u> <u>32894</u>
b	For terminated vested participants..... 3b <u>43</u> <u>636022</u>
c	For active participants:
(1)	Non-vested benefits..... 3c(1) <u>0</u>
(2)	Vested benefits..... 3c(2) <u>330825</u>
(3)	Total active 3c(3) <u>35</u> <u>330825</u>
d	Total 3d <u>80</u> <u>999741</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.53 %</u>
6	Target normal cost..... 6 <u>65000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10/10/2013</u>
	Signature of actuary	Date
<u>MICHAEL J. BOLOGNA</u>	Type or print name of actuary	<u>11-06676</u>
		Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA INC.</u>	Firm name	<u>713-754-5400</u>
<u>1221 MCKINNEY STREET, SUITE 2600</u> <u>HOUSTON, TX 77010-1006</u>	Address of the firm	Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 5.44%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of 5.20% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	116.70 %
15	Adjusted funding target attainment percentage	15	116.70 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.81 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
(4) 4th		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	65000										
b Excess assets, if applicable, but not greater than line 31a	31b	65000										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....	0	0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2012

Attained Age	Years of Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25																				
25 - 29																				
30 - 34																				
35 - 39							1													
40 - 44							3		2											
45 - 49					1		5		3		2		1							
50 - 54							1		4		1									
55 - 59					1		2		4		1									
60 - 64									2											
65 - 69							1													
70 & Over																				

Plan Name: Sithe Stable Pension Account Plan
 EIN / PN: 13-3554926 / 004
 Plan Sponsor: Sithe Energies, Inc.
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods as of January 1, 2012

Economic Assumptions

Interest rate basis:

- Applicable month January
- Yield curve basis 3-Segment Rates/24-month average

Interest rates:

- First segment rate 5.54%
- Second segment rate 6.85%
- Third segment rate 7.52%
- Effective interest rate 6.53%

Administrative expenses \$65,000

Annual rates of increase

- Cash Balance Interest Crediting Rate 1.18% for 2012 and 2.06% for 2013 and beyond
- Compensation Not Applicable
- Future Social Security Wage Bases None
- Statutory Limits on Compensation and Benefits Maximum presently allowed under IRC §401(a)(17) and IRC §415.

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods as of January 1, 2012 (cont.)

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Participation Data Employee data and data on participants with deferred benefits or receiving benefits were supplied by Buck consultants as of the census date.

Mortality

● Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2027, using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2019 using Scale AA).

● Disabled Alternative disabled life mortality tables as defined under Revenue Ruling 96-7.

Termination Rates varying by age and service

Representative Termination Rates

Age	Percentage leaving during the year					
	Service					
	0	1	2	3	4	5+
20	17.50	17.50	17.50	17.50	17.50	17.50
25	14.30	14.30	14.30	14.30	14.30	14.30
30	12.70	11.90	11.00	10.80	10.80	10.80
35	12.70	11.90	11.00	10.20	9.50	7.90
40	12.70	11.90	11.00	10.20	9.50	5.60
45	12.70	11.90	11.00	10.20	9.50	3.90
50	12.70	11.90	11.00	10.20	9.50	2.70
55	12.70	11.90	11.00	10.20	9.50	2.20

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods as of January 1, 2012 (cont.)

Disability

The rates at which participants become disabled by age and gender are shown below.

Age	Percentage becoming disabled during the year	
	Males	Females
25	0.03	0.03
30	0.03	0.04
35	0.04	0.07
40	0.08	0.13
45	0.16	0.24
50	0.33	0.40
55	0.69	0.64
60	1.15	0.90

Retirement

Rates varying by age, average age 61.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants (with 10 years of service) retire by age and gender are shown below.

Age	Percentage retiring during the year	
	Males	Females
55	10	10
56 - 59	5	5
60	10	10
61	10	10
62	40	40
63 - 64	30	30
65	70	70
66 - 69	50	50
70	100	100

Benefit commencement date:

- Preretirement death benefit Upon death of active participant
- Deferred vested benefit Upon termination of employment
- Retirement benefit Upon retirement

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods as of January 1, 2012 (cont.)

Form of payment 100% of active participants are assumed to take the account balance as a lump sum at termination.

Current terminated vested participants are assumed to take the account balance as a lump sum based on the following schedule:

Years from Termination	Percentage taking Lump Sum
1	40
2	30
3	20
4	10

Percent married For purposes of valuing the pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married.

Spouse age Male spouses are assumed to be three years older than female spouses.

Timing of benefit payments Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date First day of the plan year

Funding target Present value of accrued benefits

Target normal cost Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods as of January 1, 2012 (cont.)

Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the prior plan year.)</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p>
Benefits not valued	<p>We believe that we have reflected all significant plan provisions in this valuation.</p>
Change in assumptions and methods since prior valuation	<p>The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of January 2011 to January 2012.</p> <p>The segment interest rates used to determine minimum funding requirements and benefit restrictions were revised by applying the corridors of MAP-21.</p> <p>The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.</p> <p>The assumed plan-related expenses added to the target normal cost were changed from \$40,000 for 2011 to \$65,000 for 2012. The underlying method for calculating assumed expenses is unchanged.</p> <p>The interest crediting rate applied to cash balance accounts were updated from 3.05% to 2.06% based on an updated five-year average of historical 1-year Treasury Bill constant maturity rates plus 1%. For the 2012 plan year, the actual interest crediting rate of 1.18% was used.</p>

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan SITHE STABLE PENSION ACCOUNT PLAN		B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SITHE ENERGIES, INC.		D Employer Identification Number (EIN) 13-3554926
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>			
2 Assets:			
a Market value		2a	1,190,675
b Actuarial value		2b	1,166,777
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	2
b For terminated vested participants.....		3b	43
c For active participants:			
(1) Non-vested benefits		3c(1)	0
(2) Vested benefits		3c(2)	330,825
(3) Total active.....		3c(3)	35
d Total.....		3d	80
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate		5	6.53 %
6 Target normal cost.....		6	65,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

Michael J. Bologna

Type or print name of actuary

Towers Watson Pennsylvania Inc.

Firm name

1221 McKinney Street, Suite 2600

Houston

TX 77010-1006

Address of the firm

10-10-13

Date

11-06676

Most recent enrollment number

(713) 754-5400

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>5.44</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>5.20</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	116.70 %
15 Adjusted funding target attainment percentage	15	116.70 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	105.81 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 61
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	65,000	
b Excess assets, if applicable, but not greater than line 31a	31b	65,000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2012

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

x	q_x^r	l_x	${}_{x-55}P_{55} = l_x / l_{55}$	$Q_x^r * l_x / l_{55}$	$X * q_x^r * l_x / l_{55}$
55	0.10	1,000,000	1.000000	0.100000	5.500000
56	0.05	900,000	0.900000	0.045000	2.520000
57	0.05	855,000	0.855000	0.042750	2.436750
58	0.05	812,250	0.812250	0.040613	2.355525
59	0.05	771,638	0.771638	0.038582	2.276331
60	0.10	733,056	0.733056	0.073306	4.398334
61	0.10	659,750	0.659750	0.065975	4.024475
62	0.40	593,775	0.593775	0.237510	14.725621
63	0.30	356,265	0.356265	0.106880	6.733409
64	0.30	249,386	0.249386	0.074816	4.788202
65	0.70	174,570	0.174570	0.122199	7.942929
66	0.50	52,371	0.052371	0.026185	1.728242
67	0.50	26,185	0.026185	0.013093	0.877214
68	0.50	13,093	0.013093	0.006546	0.445153
69	0.50	6,546	0.006546	0.003273	0.225850
70	1.00	3,273	0.003273	0.003273	0.229123
Average age at retirement					61.207157
Rounded for Schedule SB item 22					61

Plan Name: Sithe Stable Pension Account Plan
 EIN / PN: 13-3554926 / 004
 Plan Sponsor: Sithe Energies, Inc.
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions as of January 1, 2012

Plan Provisions

The plan was amended and restated effective January 1, 2007. The most recent amendment reflected herein is Amendment Number 5, executed on December 16, 2010, to comply with applicable provisions of the Heroes Earning Assistance and Relief Act of 2008, as amended (the "HEART Act").

Changes in Benefits Valued Since Prior Year There have been no changes in benefits valued since the prior year.

Plan Year The twelve-month period ending December 31.

Status of the Plan The plan is frozen to future benefit accruals.

Benefits Not Included in Valuation We believe that we have reflected all significant plan provisions in this valuation.

Significant Events During the Year We are not aware of any significant events occurring during the plan year.

Definitions

Coverage and participation Employees of the company and any designated affiliate, excluding leased employees and union members eligible to participate in another qualified plan sponsored by the company. The plan was closed to new entrants in 2005.

Vesting service One year for each plan year that an eligible employee works at least 1,000 hours of service subject to break-in-service rules. Effective February 1, 2005, as a result of the Dynegy, Inc. purchase of Sithe Energies, Inc., all active employees were immediately vested.

Credited service One year for each Plan year that an eligible employee works at least 1,000 hours. Effective February 1, 2005, as a result of the Dynegy, Inc. purchase of Sithe Energies, Inc., the accruals of all active employees were frozen.

Cash Balance Account This account increases with Interest Credits and Pay Credits.

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions as of January 1, 2012 (cont.)

Interest Credits

The annual rate of interest earned on a participant's cash balance account is equal to the 12-month average yield or the 1-year Treasury bill constant maturity rate for the preceding plan year plus 1%. This annual rate shall be converted to a quarterly equivalent and credited on the first day of each calendar quarter. If the participant's pay credit is rescinded, the related interest credit is also rescinded.

Pay Credits

The amount credited to a participant's cash balance account the last day of each calendar quarter. The pay credit shall be equal to 3% of the participant's pensionable earnings for such calendar quarter. The pay credit will be rescinded if the employee is not credited with at least 1,000 Hours of Service for the plan year in which the calendar quarter pay credit is made. Pay credits ceased to be credited to the Cash Balance Account as of February 1, 2005.

Compensation

Not applicable. Participants are no longer eligible for additional pay credits.

Normal Retirement

Retirement Date

The first of the month coincident with or next following age 65.

Benefit

Cash Balance Account.

Form of Payment

Single life annuity for single participants; 50% joint and survivor annuity for married participants.

Early Retirement Benefit

Eligibility

Any participant with a Vested Interest who has not yet attained Normal Retirement Age.

Benefit

Cash Balance Account.

Vested Benefits Upon Termination of Service

Eligibility

Any participant with a Vested Interest.

Benefit

Cash Balance Account.

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions as of January 1, 2012 (cont.)

Death Benefits for Participants in Active Service

Eligibility Any participant with a Vested Interest.

Benefit Cash Balance Account.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides for optional monthly payment forms. Actuarial equivalence for this purpose is based on 7% interest rate and the 1983 Blended Group Annuity Mortality Table. Actuarial equivalence for purposes of converting the Cash Balance Account to a Single Life Annuity is based on the applicable interest rate and applicable mortality table as determined in accordance with Code Section 417(e)(3) with the applicable phase-in percentages to the new PPA interest rate basis. The applicable interest rate for a given plan year is based on the month of November (the lookback month) that precedes the Plan Year (the stability period) in which the distribution is made.

The Normal Form of payment for married participants is a Qualified Joint & Survivor Annuity, and for a single participant, it is a Single Life Annuity. In lieu of the Normal Form of payment, a participant may elect the following optional forms of payment:

- Single Life Annuity
- A Qualified Joint and Survivor benefit payable as long as the participant is alive with either 50%, 75% or 100% of such amount being payable during the lifetime of the participant's spouse upon the death of the participant.
- Lump Sum payment

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2012