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

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for: [X] 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: [X] Form 5558 [ ] automatic extension [ ] DFVC program
[ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
SITHE STABLE PENSION ACCOUNT PLAN

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 01/01/2000

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
SITHE ENERGIES, INC.

601 TRAVIS STREET, SUITE 1400
HOUSTON, TX 77002

2b Employer Identification Number (EIN) 13-3554926

2c Sponsor's telephone number 713-507-6400

2d Business code (see instructions) 221100

3a Plan administrator's name and address [ ] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address
DYNEGY INC. BENEFIT PLANS COMMITTEE
601 TRAVIS STREET, SUITE 1400
HOUSTON, TX 77002

3b Administrator's EIN 20-5653152

3c Administrator's telephone number 713-507-6400

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

4b EIN

4c PN

5a Total number of participants at the beginning of the plan year	**5a**	80
b Total number of participants at the end of the plan year	**5b**	78
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.) [X] 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.) [X] 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.

c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? [X] Yes [ ] No [ ] Not determined

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	Filed with authorized/valid electronic signature.	10/15/2014	JULIUS COX
	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	1336757	1413354
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	1336757	1413354
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	136007	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		136007
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	44135	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	15275	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		59410
i Net income (loss) (subtract line 8h from line 8c)	8i		76597
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 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) — [X] Yes [ ] No

11a Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) 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 [X] 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)	**13c(3)** PN(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

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013

2 Assets:

a Market value	**2a**	1336757
b Actuarial value	**2b**	1282856

3 Funding target/participant count breakdown:

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	**3a**	3	41968
b For terminated vested participants	**3b**	43	645404
c For active participants:			
(1) Non-vested benefits	**3c(1)**		0
(2) Vested benefits	**3c(2)**		360106
(3) Total active	**3c(3)**	34	360106
d Total	**3d**	80	1047478

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**	5.77 %
6 Target normal cost	**6**	57000

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	10/09/2014 Date
MICHAEL J. BOLOGNA Type or print name of actuary	14-06676 Most recent enrollment number
TOWERS WATSON PENNSYLVANIA INC. Firm name	713-754-5400 Telephone number (including area code)
1221 MCKINNEY STREET, SUITE 2600 HOUSTON, TX 77010-1006 Address of the firm	

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 and 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 14.92 %	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 6.53 % 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	122.47 %
15	Adjusted funding target attainment percentage	15	122.47 %
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	116.70 %
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:	2nd segment:	3rd segment:	
4.94%	6.15%	6.76 %	☐ 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**	57000
b Excess assets, if applicable, but not greater than line 31a	**31b**	57000

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 26
Schedule of Active Participant Data as of January 1, 2013

Attained Age	Years of Credited 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																				
40 - 44							4		1		1									
45 - 49							4		3		1									
50 - 54							2		5		1		2							
55 - 59							2		3		1									
60 - 64									4											
65 - 69																				
70 & Over																				

Plan Name: Sithe Stable Pension Account Plan
EIN / PN: 13-3554926 / 004
Plan Sponsor: Sithe Energies, Inc.
Valuation Date: January 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods
As of January 1, 2013

Economic Assumptions

Interest rate basis:

• Applicable month	January
• Interest rate basis	3-Segment Rates
• MAP-21 applied for funding	Yes
• MAP-21 applied for benefit restrictions	Yes

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.94%	1.62%
• Second segment rate	6.15%	4.40%
• Third segment rate	6.76%	5.45%
• Effective interest rate	5.77%	3.62%

Administrative expenses	$57,000
Annual rates of increase	
• Cash Balance Interest Crediting Rate	1.18% for 2013 and 1.40% for 2014 and beyond
• Compensation	Not Applicable
• Future Social Security wage bases	None
• Statutory limits on compensation	Maximum presently allowed under IRC §401(a)(17) and IRC §415

SCHEDULE SB ATTACHMENTS

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.

Participant Data

Employee data and data on participants with deferred benefits or receiving benefits were supplied by Buck Consultants as the census date.

Mortality

- Healthy

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, *projected 15 years beyond the valuation date using Scale AA)* and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, p*rojected 7 years beyond the valuation date using Scale AA).*

- Disabled

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

Termination

Representative rates at which participants are assumed to terminate are shown below.

Age	Termination Rate
20	18.10%
25	16.10%
30	13.20%
35	10.90%
40	9.20%
45	8.00%
50	7.30%
55	7.00%

Disability

Representative rates at which participants are assumed to become disabled by age and gender are shown below.

Percentage becoming disabled during the year		
Age	**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

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age.

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

Age	Percentage retiring during the year
55 – 57	7%
58 – 59	5
60	10
61	15
62	40
63	30
64	25
65	70
66 – 69	50
70	100

Benefit commencement date:

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

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.

SCHEDULE SB ATTACHMENTS

Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable as described above.

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.
Actuarial value of assets	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.) 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.
Benefits not valued	We believe that we have reflected all significant plan provisions in this valuation

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of January 2012 to January 2013.

The mortality table used to calculate the funding target, target normal cost and ASC 960 obligations was updated to include one additional year of projected mortality improvements.

The methodology used to determine the assumed expenses was changed to a three-year inflation adjusted average. The assumed plan-related expenses added to the target normal cost were changed from $65,000 for 2012 to $57,000 for 2013.

The interest crediting rate applied to cash balance accounts were updated from 2.06% to 1.40% based on an updated five-year average of historical 1-year Treasury Bill constant maturity rates plus 1%. For the 2013 plan year, the actual interest crediting rate of 1.18% was used.

The termination and retirement rates were updated to better reflect anticipated future experience.

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

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

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2013

2 Assets:			
a Market value	**2a**		1,336,757
b Actuarial value	**2b**		1,282,856
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	**3a**	3	41,968
b For terminated vested participants	**3b**	43	645,404
c For active participants:			
(1) Non-vested benefits	**3c(1)**		0
(2) Vested benefits	**3c(2)**		360,106
(3) Total active	**3c(3)**	34	360,106
d Total	**3d**	80	1,047,478
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**		5.77 %
6 Target normal cost	**6**		57,000

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

MJB — Signature of actuary

10/9/2014 — Date

Michael J. Bologna — Type or print name of actuary

14-06676 — Most recent enrollment number

Towers Watson Pennsylvania Inc. — Firm name

(713) 754-5400 — Telephone number (including area code)

1221 McKinney Street, Suite 2600

Houston TX 77010-1006 — Address of the firm

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 and 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 14.92 %	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 6.53 % 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	122.47 %
15	Adjusted funding target attainment percentage	15	122.47 %
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	116.70 %
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 [X] 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:	2nd segment:	3rd segment:	
4.94 %	6.15 %	6.76 %	☐ 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	57,000
b Excess assets, if applicable, but not greater than line 31a	31b	57,000

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, 2013

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	$_{x-55}P_{55}=l_x/l_{55}$	$Q_x^r * l_x/l_{55}$	$X * q_x * l_x/l_{55}$
55	0.07	1,000,000	1.000000	0.070000	3.850000
56	0.07	930,000	0.930000	0.065100	3.645600
57	0.07	864,900	0.864900	0.060543	3.450951
58	0.05	804,357	0.804357	0.040218	2.332635
59	0.05	764,139	0.764139	0.038207	2.254210
60	0.10	725,932	0.725932	0.072593	4.355593
61	0.15	653,339	0.653339	0.098001	5.978052
62	0.40	555,338	0.555338	0.222135	13.772386
63	0.30	333,203	0.333203	0.099961	6.297534
64	0.25	233,242	0.233242	0.058311	3.731872
65	0.70	174,932	0.174932	0.122452	7.959384
66	0.50	52,479	0.052479	0.026240	1.731822
67	0.50	26,240	0.026240	0.013120	0.879031
68	0.50	13,120	0.013120	0.006560	0.446075
69	0.50	6,560	0.006560	0.003280	0.226318
70	1.00	3,280	0.003280	0.003280	0.229598
Average age at retirement					61.141061
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, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Sithe Energies, Inc.
EIN/PN	13-3554926/004
Plan Name	Sithe Stable Pension Account Plan
Valuation Date	January 1, 2013
Enrolled Actuary	Michael J. Bologna
Enrollment Number	14-06676

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions
As of January 1, 2013

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.

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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.

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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

Future Plan Changes

No future plan changes were recognized in determining minimum and maximum contributions.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change In Actuarial Assumptions
as of January 1, 2013

The methodology used to calculate plan-related expenses was changed to a three-year inflation adjusted average. The assumed plan-related expenses added to the target normal cost were changed from $65,000 for 2012 to $57,000 for 2013.

The termination and retirement rates were updated to better reflect anticipated future experience.