

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 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2015</div> This Form is Open to Public Inspection
---	--	---

Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning 01/01/2016 and ending 03/31/2016	
A This return/report is for:	<input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions) <input type="checkbox"/> a one-participant plan <input type="checkbox"/> a foreign plan
B This return/report is	<input type="checkbox"/> the first return/report <input checked="" type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input checked="" type="checkbox"/> a short plan year return/report (less than 12 months)
C Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> DFVC program <input type="checkbox"/> special extension (enter description)

Part II Basic Plan Information—enter all requested information			
1a Name of plan NAES CORPORATION RETIREMENT PLAN FOR LAKE LYNN LOCAL 102 EMPLOYEES	1b Three-digit plan number (PN) ►	021	
1c Effective date of plan 02/12/2014			
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NAES CORPORATION 1180 NW MAPLE STREET, SUITE 200 ISSAQUAH, WA 98027	2b Employer Identification Number (EIN) 91-1111672	2c Sponsor's telephone number 425-961-4700	
2d Business code (see instructions) 221100			
3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor.	3b Administrator's EIN		
3c Administrator's telephone number			
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			
5a Total number of participants at the beginning of the plan year	5a	6	
b Total number of participants at the end of the plan year	5b	0	
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c		
d(1) Total number of active participants at the beginning of the plan year	5d(1)	5	
d(2) Total number of active participants at the end of the plan year	5d(2)	0	
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	0	
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. Signature of plan administrator	01/13/2017 Date	NORM ESCOVER Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	01/13/2017 Date	NORM ESCOVER 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)			Preparer's telephone number

- 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.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	368030	0
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	368030	0
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	4585	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		4585
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	3412	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions).....	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		3412
i Net income (loss) (subtract line 8h from line 8c)	8i		1173
j Transfers to (from) the plan (see instructions)	8j	-369203	

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 1H 1I

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	N/A	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			2000000
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				
j Did the plan trust incur unrelated business taxable income?	10j				

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 unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40..... **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?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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** 0

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)
MID-ATLANTIC HYDRO PENSION PLAN	80-0827569	002

Part VIII Trust Information

14a Name of trust	14b Trust's EIN
14c Name of trustee or custodian	14d Trustee's or custodian's telephone number

Part IX IRS Compliance Questions

15a Is the plan a 401(k) plan? ☐ Yes ☐ No

15b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? ☐ Design-based safe harbor method ☐ ADP/ACP test

15c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? ☐ Yes ☐ No

16a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): ☐ Ratio percentage test ☐ Average benefit test

16b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☐ No

17a Has the plan been timely amended for all required tax law changes? ☐ Yes ☐ No ☐ N/A

17b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code ____ (See instructions for tax law changes and codes).

17c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.

17d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.

18 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? ☐ Yes ☐ No

19 Were in-service distributions made during the plan year? ☐ Yes ☐ No

If "Yes," enter amount

19

20 Were required minimum distributions made to 5% owners who have attained age 70 ½ (regardless of whether or not retired), as required under section 401(a)(9)? ☐ Yes ☐ No ☐ N/A

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 2015 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2015 or fiscal plan year beginning 01/01/2016 and ending 03/31/2016

▶ **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>NAES CORPORATION RETIREMENT PLAN FOR LAKE LYNN LOCAL 102 EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>021</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NAES CORPORATION</u>	D Employer Identification Number (EIN) <u>91-1111672</u>
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>367299</u>
b Actuarial value	2b <u>367299</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>1</u> <u>181578</u> <u>181578</u>
b For terminated vested participants	<u>0</u> <u>0</u> <u>0</u>
c For active participants	<u>5</u> <u>93213</u> <u>104023</u>
d Total	<u>6</u> <u>274791</u> <u>285601</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	<input type="checkbox"/>
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>6.12%</u>
6 Target normal cost	6 <u>0</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>01/10/2017</u>
	Signature of actuary	Date
<u>SCOTT F. PORTER, FSA</u>	Type or print name of actuary	<u>14-05894</u>
		Most recent enrollment number
<u>MILLIMAN</u>	Firm name	<u>610-975-8070</u>
<u>1550 LIBERTY RIDGE DRIVE, SUITE 200</u> <u>WAYNE, PA 19087</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 ☐

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

Schedule SB (Form 5500) 2015
v. 150123

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 <u>-0.05%</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)		150241
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.38%</u>		9585
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		159826
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	128.60 %
15	Adjusted funding target attainment percentage	15	128.60 %
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	203.80 %
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input type="checkbox"/> Yes <input type="checkbox"/> 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: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> 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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
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		
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	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<u>Age</u>	<u>$q_v^{(r)}$</u>	<u>$p_v^{(r)}$</u>	<u>$l_v^{(r)}$</u>	Weighted <u>Average</u>
55	10%	90%	100%	5.50
56	10%	90%	90%	5.04
57	10%	90%	81%	4.62
58	10%	90%	73%	4.23
59	10%	90%	66%	3.87
60	20%	80%	59%	7.09
61	20%	80%	47%	5.76
62	50%	50%	38%	11.72
63	30%	70%	19%	3.57
64	30%	70%	13%	2.54
65	30%	70%	9%	1.81
66	25%	75%	6%	1.07
67	25%	75%	5%	0.81
68	25%	75%	4%	0.62
69	25%	75%	3%	0.47
70	100%	0%	2%	1.44
Weighted Average Age				60.16
Rounded				60.00

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	1	-	-	-	-	-	-	1
45-49	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	1	1	-	2
60-64	-	-	-	-	-	2	-	-	-	-	2
65-69	-	-	-	-	-	-	-	-	-	-	-
70&Up	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	-	2	-	1	1	-	5

Interest Rates

For ERISA funding purposes: Segment rates (based on statutory rates in effect four months prior to the beginning of the plan year, limited by Segment Rate Stabilization) of 4.43% per year for first 5 years, 5.91% per year for next 15 years, and 6.65% per year thereafter. The equivalent Effective Interest Rate is 6.12% per year.

For maximum deductible contribution purposes: Segment rates (based on statutory rates in effect four months prior to beginning of plan year, not limited by Segment Rate Stabilization) of 1.34% per year for first 5 years, 4.03% per year for next 15 years, and 5.06% per year thereafter. The equivalent Effective Interest Rate is 4.38% per year.

For PBGC premium purposes: Segment rates of 1.82% per year for first 5 years, 4.12% per year for next 15 years, and 5.01% per year thereafter based on the PBGC Standard Rule.

Mortality

For ERISA funding and PBGC premium purposes: Statutory static tables for 2016 based on RP-2000 Combined Mortality Table projected to anticipate greater future longevity. No mortality is assumed prior to retirement.

Turnover

Sample annual rates shown below:

Age	Rate
20	5.4%
25	5.3
30	5.1
35	4.7
40	3.5
45	1.8
50	0.4
55	0.0

Retirement

For members retiring from active service, annual rates are shown below. Rates vary by age.

Age	Rate
55-59	10%
60-61	20
62	50
63-65	30
66-69	25
70+	100

The assumed retirement age is 65 for terminated vested participants.

Form of Payment

Single life annuity.

Expenses

No administrative expenses are assumed to be paid by the plan.

Source of Non-Prescribed Actuarial Assumptions

Actuarial assumptions not prescribed by the IRS are based on the actuary's judgement and continual review of plan experience.

Changes in Actuarial Assumptions Since Prior Valuation

The statutory mortality table was updated for one additional year of assumed mortality improvement. The 3-tiered statutory segment rates changed from 4.72% for the first 5 years, 6.11% for the next 15 years and 6.81% per year thereafter to 4.43%, 5.91% and 6.65%, with interest rate stabilization and from 1.15% for the first 5 years, 4.06% for the next 15 years and 5.15% per year thereafter to 1.34%, 4.03%, and 5.06% without interest rate stabilization, respectively. The PBGC segment rates were also changed from 1.48%, 3.77% and 4.79% to 1.82%, 4.12% and 5.01%.

This summary of plan provisions is intended to only describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: The benefit determined under the formula used to calculate the Normal Retirement Benefit, based on Base Annual Rate and years of Benefit Service as of the date of determination. The accrued benefit is frozen as of October 31, 2015.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. In general, for purposes other than determining lump sum amounts, Actuarially Equivalent factors are based on the 1971 Group Annuity Male Mortality table, with a two-year age setback for participants and a six-year setback for contingent annuitants, and an interest rate of 6.5%. For purposes of determining lump sum amounts, Actuarially Equivalent factors are based on the mortality table specified in IRS Notice 2013-49 for the Plan Year of distribution and the statutory three-tier segment interest rates in effect for the month of October prior to the Plan Year of distribution.

Base Annual Rate: The lower of the highest Base Rate of Pay determined on any given July 1 and the average annual Compensation during the highest 60 consecutive months of service ending on date of termination (Compensation paid in the month following termination is excluded). For Transitioned Employees, Compensation for the Prior Plan is included. The Base Annual Rate is frozen as of October 31, 2015.

Base Rate of Pay: Annualized salary by multiplying monthly salary by 12 or hourly rate by number of normally scheduled hours worked (2080 hours) determined as of July 1. Annual Base Rate of Pay may not exceed the inflation-adjusted limit specified for each Plan Year as specified by the IRS.

Benefit Service: After the initial month of employment, credit is earned for each month worked. In the initial month of employment, credit is earned if hired on or before the 15th of a month (16th for 31-day months). For Transitioned Employees, Benefit Service includes service under the Prior Plan as of February 11, 2014. Benefit service is frozen as of October 31, 2015.

Compensation: Regular base earnings, including any reductions pursuant to IRC 401(k), 125 and 132(f)(4) plus overtime pay, shift differential, premium pay, commissions and other similar items, but excluding bonuses (signing bonuses and retention bonuses), spot awards, non-cash awards, reimbursements of business expenses and other similar items. Annual Compensation may not exceed the inflation-adjusted limit specified for each Plan Year as specified by the IRS.

Covered Compensation Level: The average annual Social Security wage base during the last 35 years ending on December 31st of the preceding July 1, rounded to the nearest multiple of \$600. The Covered Compensation Level does not vary by participant and remains in effect from July 1 to June 30. The Covered Compensation Level in effect July 1, 2015 to October 31, 2015 is \$70,200.

Plan Effective Date: February 12, 2014.

Plan Year: The 12-month period beginning January 1 and ending December 31. The initial plan year was from February 12, 2014 to December 31, 2014.

Prior Plan: The Allegheny Energy Retirement Plan within the FirstEnergy Corp. Pension Plan in effect on February 11, 2014.

Transitioned Employees: An employee of FirstEnergy immediately prior to February 12, 2014, employed on February 12, 2014, and a member of UWUA Local 102 Lake Lynn on February 12, 2014.

Vesting Service: A full year is credited for each 12-month period beginning July 1 and ending the subsequent June 30 in which 1,000 or more hours of service are credited. No partial years of Vesting Service are credited. For Transitioned Employees, Vesting Service includes service under the Prior Plan as of February 11, 2014.

Eligibility for Participation

For Transitioned Employees, February 12, 2014. For new employees, the first of the month following the later of completion of the first 12 months of employment, or any subsequent Plan Year, in which 1,000 hours are credited or date of becoming a member of UAWA Local 102 Lake Lynn. No employee hired after October 31, 2015 who becomes a member of UAWA Local 102 Lake Lynn after October 31, 2015 shall be eligible to participate.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following attainment of age 65.

Normal Retirement Benefit: A 3-part formula less any vested benefit accrued under the Prior Plan payable in monthly installments. Part 1 equals 1.1% of Base Annual Rate up to the Covered Compensation Level multiplied by years of Benefit Service up to 35 years. Part 2 equals 1.5% of Base Annual Rate in excess of the Covered Compensation Level multiplied by years of Benefit Service up to 35 years. Part 3 equals 1.3% of Base Annual Rate multiplied by years of Benefit Service in excess of 35 years. The Plan also includes a minimum retirement benefit, but it is not expected to be applicable. The benefit is frozen as of October 31, 2015.

Early Retirement

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 55 while employed.

Early Retirement Benefit: Part 1 of the Accrued Benefit unreduced for early commencement plus Parts 2 and 3 of the Accrued Benefit reduced by 0.25% for each month by which the Early Retirement Date precedes age 62; less any benefit accrued under the Prior Plan reduced in a similar manner if the member was age 55 on February 12, 2014 or reduced by early retirement factors for terminated vested participants if the member was less than age 55 on February 12, 2014.

Deferred Retirement

Deferred Retirement Date: The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.

Deferred Retirement Benefit: The Accrued Benefit determined as of the Deferred Retirement Date.

Termination

Termination Date: The date of termination of service other than for reasons of retirement or death.

Termination Benefit: The Accrued Benefit, multiplied by the Vested Percentage below, payable at the Normal Retirement Date, or payable as early as age 55 (reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the benefit commencement date precedes the Normal Retirement Date).

Years of Vesting Service	Vested Percentage
Less than 5 and under age 55 at termination	0%
5 or more or at least age 55 at termination	100

Preretirement Death

Preretirement Death Benefit Eligibility: Surviving spouses of participants with a vested Accrued Benefit who die before commencement of payments.

Preretirement Death Benefit: 50% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 50% survivor annuity, and died on that same date.

Forms of Payment

Normal Forms: Life annuity if single; Actuarial Equivalent qualified joint and 50% survivor annuity if married.

Optional Forms: Life Annuity; Actuarially Equivalent joint and 25%, 50%, 75%, or 100% survivor annuity.

Lump Sum: Payable if the Actuarially Equivalent present value of the vested Accrued Benefit payable at normal retirement is \$25,000 or less.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2015 This Form is Open to Public Inspection
---	--	---

For calendar plan year 2015 or fiscal plan year beginning 01/01/2016 and ending 03/31/2016

► **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 NAES Corp Ret Plan for Lake Lynn Local 102 EEs	B Three-digit plan number (PN) ►	021
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NAES Corporation	D Employer Identification Number (EIN) 91-1111672	

E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500
---	---

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2016</u>			
2 Assets:			
a Market value.....	2a	367,299	
b Actuarial value.....	2b	367,299	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1	181,578	181,578
b For terminated vested participants.....	0	0	0
c For active participants.....	5	93,213	104,023
d Total.....	6	274,791	285,601
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
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	6.12 %	
6 Target normal cost.....	6	0	

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	<div style="text-align: center;"> Signature of actuary </div> <div style="text-align: center;"> Scott F. Porter, FSA Type or print name of actuary </div> <div style="text-align: center;"> Milliman Firm name </div> <div style="text-align: center;"> 1550 Liberty Ridge Drive, Suite 200 Wayne PA 19087 Address of the firm </div>	<div style="text-align: center;"> <u>01/10/2017</u> Date </div> <div style="text-align: center;"> <u>14-05894</u> Most recent enrollment number </div> <div style="text-align: center;"> <u>(610) 975-8070</u> Telephone number (including area code) </div>
------------------	---	---

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 <u>-0.05%</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).....		150241
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.38%</u>		9585
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		159826
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	128.60 %
15 Adjusted funding target attainment percentage	15	128.60 %
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	203.80 %
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:
4.43 %2nd segment:
5.91 %3rd segment:
6.65 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

60

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**

0

b Excess assets, if applicable, but not greater than line 31a**31b**

0

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****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**