<p style="text-align:center">**P285 – PROPOSED LEGAL TEXT**</p>

SECTION T: SETTLEMENT AND TRADING CHARGES (v20.0)

4.10 **Determination of Residual Cashflow Allocations**

Amend paragraph 4.10.2 to read as follows:

4.10.2 In respect of each Settlement Period, for each Energy Account, other than the TC (Non-IEA) Energy Accounts held by the Transmission Company, the Residual Cashflow Reallocation Proportion will be determined as follows:

$$RCRP_{aj} = \{\Sigma^+_i (QCE_{iaj}) + \Sigma^-_i (-QCE_{iaj})\} / \{\Sigma_a \{\Sigma^+_i (QCE_{iaj}) + \Sigma^-_i (-QCE_{iaj})\}\}$$

where Σ^+_i is, for each Energy Account a in Settlement Period j, the sum over all BM Units i other than Interconnector BM Units that are in delivering Trading Units, and

Σ^-_i is, for each Energy Account a in Settlement Period j, the sum over all BM Units i other than Interconnector BM Units that are in offtaking Trading Units, and

Σ_a represents the sum over all Energy Accounts a, other than the TC (Non-IEA) Energy Accounts held by the Transmission Company.

In respect of each Settlement Period, for each TC (Non-IEA) Energy Account held by the Transmission Company, the Residual Cashflow Reallocation Proportion will be determined as follows:

$$RCRP_{aj} = 0$$