

HIGH MEDIUM LOW

is stability most important?

	Options to consider within 0781R	Polluter pays (dynamic)	Feasibility	Drives improvement	Year on year stability	Easy to explain	Robust	Not likely to be continually challenged	Comments
-	Current situation								
1	Uniform Allocation based on volume	LOW	HIGH	LOW	HIGH	HIGH	HIGH	HIGH	1. could base on MP but unlikely. 2. could create additional option - to split or not to split - and if so how? Class 1/2 vs Class 3/4. 3. could be described as egalitarian
2	Static Model	LOW	MEDIUM	LOW	HIGH	HIGH	MEDIUM	LOW	Agree model then apply no formal way of changing it built in, weighting factors. How to agree the static model???? See gareth's slide deck. Framework agreed then add data set each year. Standard methodology. like a charging methodology. Very difficult to agree in the first place
3	Static Model (with regular audit)	LOW	HIGH	LOW	HIGH	HIGH	MEDIUM	MEDIUM	weighting factors, could review every 2,3 or 5 years? 10 years? Like RbD?
4	Utilise existing industry datasets	MEDIUM	HIGH	HIGH	HIGH	HIGH	MEDIUM	HIGH	weighting factors
5	Utilise existing industry datasets (AUGE topup)	HIGH	HIGH	MEDIUM	MEDIUM	HIGH	MEDIUM	MEDIUM	weighting factors
6	Balancer of last resort	LOW	LOW	LOW	HIGH	HIGH	HIGH	HIGH	
7	Smoother transition of scaling factor changes	LOW	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM	
8	UIG Framework responsibility of sub-committee	MEDIUM	HIGH	HIGH	MEDIUM	LOW	MEDIUM	HIGH	
9	Lengthen the duration of the AUGE term	HIGH	HIGH	LOW	MEDIUM	LOW	MEDIUM	LOW	
10	Apply some method of smoothing/mitigation when transitioning from one AUGE regime to the next.	MEDIUM	MEDIUM	LOW	MEDIUM	LOW	MEDIUM	LOW	
	Improve allocation process (several)								
	Increase NDM sample size								
	use shrinkage (not in ToR)								

**other areas which we note but won't assess in 0781R**

why neg losses after reconciliation  
meter read performance

polluter pays: aimed at incentivising behavioural change (see Mod 0229)

Feasibility can it be implemented and operated - is it straightforward?

Easy to explain (easier than current UIG regime?)

drives change

easy to explain (easier than current UIG regime?)

scalable - would something break if you had large swings? Could it cope with peaks and troughs (beast from the east, unusual events) impact on industry, robustness