

# Minutes: Independent DSO Panel, 19<sup>th</sup> February 2026

## In attendance

Regina Finn, Panel Chair  
Doug Cook, Panel Member  
Janine Michael, Panel Member  
Nina Skorupska, Panel Member

Cathy McClay, Managing Director, DSO  
Matt Blackmur, Head of Strategy, Innovation and Stakeholder, DSO  
Louise Schmitz, Head of Regulation and Governance, DSO  
Adam Curtis, DSO Panel & Performance Manager (Secretariat)  
Shakeel Butt, Chief Information and Digital Officer, NGED [Item 5 only]  
Helen Sawdon, Head of DSO Operations, DSO [Item 7 only]  
Doerte Schneemann, Head of Flexibility Markets, DSO [Item 7 only]  
Oliver Spink, Head of System Planning, DSO [Item 7 only]

## 1. Welcome and DSO Panel Chair's Update

- 1.1. **NGED ED3 Independent Stakeholder Group (ISG):** The Chair had attended a recent ISG meeting; the ISG continues to consider the DSO role as critical and supports the widening of that role over time, particularly to include the management of the Transmission-Distribution interface.
- 1.2. **DSO Presentation to ISG:** The 2025-2035 DSO strategy was presented to the ISG at its January meeting. Positive feedback was provided, with particular reference to the strong delivery culture that the DSO has developed.
- 1.3. **Independent DSO Panel Report:** The Chair shared feedback from her presentation to the NGED Board in January. The Board recognised the Panel's work on Governance and was assured by the update.

## 2. Managing Director Update

- 2.1. **DSO Team:** DSO has taken on key aspects of Connections Reform following an NGED restructure. A new team within DSO had been formed with a small headcount moving in from the former Connections directorate. Further updates to the DSO headcount and structure were shared.
- 2.2. DSO had the highest response rate for the annual staff survey across NGED and achieved 100% training compliance.

- 2.3. **Day Ahead Trading:** Day Ahead trading is being soft launched in one market zone and, subject to progress, would expand this throughout the year.
- 2.4. **Transitional Regional Energy Strategic Plan (tRESP):** The Panel received an update on the DSO's latest position.
- 2.5. **Warm Home Plan:** DSO are exploring opportunities in response to the Warm Homes Plan publication. The Panel appreciates the ambition shown in the space and suggests a mapping exercise of existing work would be beneficial.
- 2.6. **Action: Matt Blackmur to speak to CSE regarding their organisations work in the space to prevent duplication.**

### 3. Governance and Audit Position

- 3.1. **Approach:** Robust policies are critical for managing DSO-DNO Conflicts of Interest, supported by the National Grid 'three-lines' risk framework. The Functional Separation Steering Group is guiding the current approach to ensure actions are proportionate to risk while balancing stakeholder expectations and costs.
- 3.2. **External Audit:** Network Planning is the main area highlighted for 3rd-line review, with both primary and secondary policies due for external audit in the next financial year.
- 3.3. **Wider Progress:** Progress on policy suites is significant, with 60+ standard techniques in development and strong coordination between regulatory, governance, and operational teams. Prioritisation of policy development is risk-based and informed by stakeholder responses.
- 3.4. Internal benefits are already being demonstrated, such as improved alignment across engineering teams and clearer change-management processes as the sector evolves.
- 3.5. **Summary:** The Panel is supportive of the DSO's approach, emphasising the importance of real-world examples demonstrating how the policies resolve potential conflicts and strengthen assurance. It recognises the progress since the first Governance overview was presented to the Panel in 2024, and since the Deep Dive in October 2025. The Panel continues to believe that an independent external audit exercise will add value and provide reassurance to stakeholders on the effectiveness of governance.

### 4. DSO Incentive Annual Report

- 4.1. **Overall Delivery Approach:** DSO is writing content structured in line with the requirements in the DSO Incentive Governance Document and positioning the document for its audience (the Ofgem Panel) rather than wider stakeholders.
- 4.2. **Criteria:** The Panel reiterates its previous concerns that the Ofgem scoring criteria could inadvertently disincentivise best practice across DSOs.
- 4.3. **Digital and Data Capability:** The Ofgem Panel had previously suggested that DSO needed to strengthen its digital tools for stakeholders. DSO outlined improvements to its data capability, such as the new Data Portal since the previous submission.
- 4.4. **Summary:** The Panel agreed to arrange a Panel meeting specifically to provide feedback on an early draft of the submission.
- 4.5. **Action: Secretariat to circulate an extract of Ofgem's Performance Panel feedback, and evidence from DSO of where this has been addressed.**

## 5. IT&D Progress Update

- 5.1. **Latest Position:** The NGED Chief Digital Officer presented a confidential overview of NGEDs digital transformation, and the implications and benefits to DSO.
- 5.2. The Panel reiterates that IT&D is a fundamental, critical enabler of the energy transition and to the ability of the DSO to facilitate that transition. It is important that the wider NGED organisation recognises the need for investment in and support for IT&D.
- 5.3. **Summary:** The Panel appreciates the detailed update and believes the direction of travel is positive. It asked that the NGED business plan submission for ED3 includes a compelling and comprehensive case for investment in IT&D and this be shared with the ISG (which is expecting an update on this topic).
- 5.4. **Action: Shak to consult with the Chair regarding content for ED3 ISG.**

## 6. ED3 Update

- 6.1. **Overview:** All Network Operators are in the process of pitching proposed ED3 DSO 'early proposals' to Ofgem. The Panel remains supportive that DSO's submission was right for consumers. It continues to believe that Ofgem should move away from output-based regulation and focus on customer/consumer outcomes.
- 6.2. **External Roles and Organisations:** The Panel recognises the importance of DSO staff being appointed to national roles and third parties. It urges DSO to continue engagement with organisations such as the ENA as part of the ED3 conversation.
- 6.3. **Summary:** The Panel believes DSO is well regarded across the industry and urges it to take a more confident approach and demonstrate its role as a leader.

## 7. 2026-8 Roadmaps

- 7.1. **Presentation of draft roadmaps:** Each roadmap owner presented a summary of what they are proposing for delivery through to the end of ED2. These are aligned to the new DSO Strategic Objectives and will be presented to the DSO Conference on 25 March for stakeholder feedback and further refinement.
- 7.2. **Feedback:** The Panel appreciates the opportunity to review the roadmaps at an early stage. It suggests that DSO clearly articulates how the stakeholder experience will improve because of roadmap priorities being met.
- 7.3. **Summary:** DSO is making ambitious proposals which are led by how they will drive benefits to stakeholders. The Panel asked that DSO consider inclusion of non-role specific priorities in the final roadmaps if appropriate, such as DSO-DNO and Digital.
- 7.4. **Action: Final draft roadmaps to be circulated to Panel members.**

## 8. Consolidate and Formal Meeting Close

- 8.1. The Panel thanks DSO and IT&D for its transparency, highlighting that it enables them to undertake its critical friend role most effectively.
- 8.2. The next meeting will be held on 16 June 2026.