IT DELIVERY ASSURANCE

EXECUTIVE CASE STUDY · BOARD-SAFE EDITION

Seven programs each reporting healthy. One portfolio quietly running out of bandwidth.

An anonymized account of an independent portfolio risk review on a member-owned electric cooperative's active capital program portfolio — seven concurrent initiatives, a general rate case twelve months out, a Member-Board capital plan review behind it, and the structural finding that the sequence holding the portfolio together had never been tested at portfolio level.

SECTOR
Utilities & Energy · Cooperative

SERVICE
Portfolio Risk Assurance

PORTFOLIO SCOPE
Multi-program active capital portfolio

DECISION HORIZON
Rate case + Member-Board review

01 Executive snapshot

A member-owned electric cooperative carrying an active capital program portfolio of seven concurrent initiatives was reporting healthy at program level. Behind the cadence, hidden cross-program sequencing dependencies had accumulated: programs competing for the same specialist engineering bandwidth in the same quarter, and an advanced-metering dataset assumed by a downstream program that would not be available when it was needed. A five-week independent portfolio review produced a defensible re-sequenced capital plan ahead of a general rate case twelve months out — with a Member-Board capital plan review behind it.

ENGAGEMENT AT A GLANCE

Sector	Utilities & energy — member-owned electric cooperative
Engagement type	Portfolio Risk Assurance (cross-program sequencing review)
Sponsor	CEO/General Manager · CFO · COO · Capital Investment Committee · Member-Board liaison
Scope	Active capital program portfolio (a handful of concurrent initiatives)
Duration	Five weeks
Portfolio envelope	Low nine-figure active capital portfolio
Decision horizon	General rate case + Member-Board capital plan review
Decision supported	Re-sequence the portfolio, defer specific initiatives, or accept explicit residual risk
Final posture	Re-sequence with conditions — three dependencies moved off rate-case critical paths

02 Context and pressure

The portfolio spanned distribution upgrades, advanced metering modernization, substation work, an OT/IT integration program, a customer information system replacement, fiber buildout, and grid hardening — seven concurrent programs against a five-year rolling capital plan. Each program reported individually on schedule. The Capital Investment Committee received a clean rolling view; the rate-case narrative was assumed to follow naturally from those individual program reports.

The pressure was external before it was internal. The state public utility commission had begun requesting structured explanations for cumulative cost and schedule variance — a pattern that typically intensifies in the twelve-to-eighteen-month window ahead of a general rate case. A Member-Board capital plan review was scheduled before the filing. The CFO had grown uncertain whether the current sequence of programs could be defended at either. Each program owner could defend their program. No program owner could see the conflicts the portfolio was quietly creating across shared engineering, field-operations, regulatory, and procurement bandwidth — the small specialist teams the entire portfolio depended on.

> *"Each program owner walks in and tells me they are on schedule. The commission's variance request says otherwise. I would like to know which is right before I file at rate case — and we have one engineering group that three of these programs are quietly counting on."*
>
> **CFO AND COO · INITIAL BRIEFING**

03 The failure mode

The primary pattern was not program failure. It was the gradual accumulation of cross-program sequencing risk in a portfolio where every individual program looked healthy in isolation — a condition that compounds quietly because no single program plan is required to represent it. Four behaviors had drifted together; together, they were difficult to see from inside any one program.

Multiple programs were competing for the same shared bandwidth

Three programs each reported healthy at program level. All three depended on the same small specialist engineering team in the same fiscal quarter. No single program owner could see the conflict. The Capital Investment Committee received the program reports in series and was not equipped to surface the contention.

Cross-program dependencies were hidden between programs, not within them

An advanced-metering dataset assumed by the customer information system program would not be available when the CIS program needed it. The dependency existed in operating reality but was not represented in either program's plan. Several others followed the same pattern: dependencies that hide between programs because no governance instrument is structured to receive them.

Capital had been reallocated tactically without portfolio-level retest

Two tactical capital reallocations across the prior twelve months had not been retested at portfolio level. Each had been defensible on its own. The cumulative effect on portfolio sequence had drifted away from the rolling capital plan; no one had been asked to reconcile the two.

Regulator was seeing variance the portfolio's own steering was not

Cumulative cost and schedule variance was already visible in the commission's filings. The cooperative's own portfolio steering view had not yet surfaced it cumulatively. Pre-emptive reconciliation had not been built into the rate-case preparation cadence.

The accumulated exposure was not a single defect. It was the gradual emergence of **portfolio-level sequencing risk** — the cost of running seven healthy programs without ever testing the sequence that held them together.

04 What we actually did

The mandate was portfolio-level and time-bound: produce a defensible reading of cross-program sequencing risk across seven concurrent programs in five weeks, without disrupting any individual program's execution cadence. The work was forensic reconciliation between three layers that had drifted apart — the rolling capital plan, the program-level reports flowing into the

Capital Investment Committee, and the cross-program dependencies that exist in operating reality but were not represented in any single program plan.

Reconstructed the rolling capital plan and modeled shared-resource demand

The five-year rolling capital plan, twelve months of Capital Investment Committee minutes, two tactical reallocation memos, and all seven program-level steering reports were reconciled in sequence. Engineering, field operations, regulatory affairs, procurement, and contracted-vendor capacity were modeled at portfolio level. Three programs surfaced as competing for the same specialist engineering bandwidth in the same fiscal quarter — a contention invisible to every individual program plan but structurally unavoidable at the portfolio level.

Traced cross-program dependencies against critical-path milestones

Five cross-program dependencies were surfaced that exist in operating reality but were not represented in any single program plan. Three of those five sat on the critical path of a rate-case-relevant in-service milestone. One — the advanced-metering dataset assumed by the customer information system program — would not have been available when the downstream program needed it.

Tested cumulative variance against the regulator's view

Cumulative cost and schedule variance was reconciled at portfolio level and tested against the public utility commission's existing variance requests. The portfolio-level narrative was pre-built so the cooperative could surface it to the commission rather than be surprised by it at rate-case filing.

05 The decision

The validated position was not a portfolio in crisis. It was, however, a portfolio whose sequence could not yet be defended at rate case or to the Member-Board behind it. Two trajectories were placed in front of leadership.

ASSUMED TRAJECTORY

All seven programs on plan against the rolling capital plan. Sequence assumed defensible at rate case. Member-Board capital plan review expected to proceed on the strength of program-level reports.

VALIDATED POSITION

Five cross-program dependencies surfaced that were not represented in any single program plan; three sat on rate-case critical paths. Three programs competing for the same engineering bandwidth in the same quarter. Cumulative cost and schedule variance not pre-reconciled. Directional capital exposure in the high single-digit millions if the current sequence was held.

Three options were placed on the table — hold the current sequence and accept residual portfolio risk; re-sequence with conditions; or defer one or more programs outright. Holding was ruled out as undefensible at rate case. Outright deferral of a program was ruled out as disproportionate to the actual exposure. The defensible path was **re-sequence with conditions**: surface the five cross-program dependencies explicitly, model shared-resource demand at portfolio level, defer one program by one fiscal quarter to free bandwidth, and pre-build the portfolio-level variance narrative ahead of regulatory filing and Member-Board review.

PORTFOLIO POSTURE

Re-sequence with conditions · Test sequence at portfolio level

VALIDATED · DEFENSIBLE · RATE-CASE-READY · MEMBER-BOARD-READY

Program-level reporting alone is no longer a sufficient basis for capital sequencing on this portfolio. Remaining programs proceed under a re-sequenced capital plan with a pre-built portfolio-level variance narrative.

06 What changed

The review did not rebuild any individual program. It restored the discipline of testing portfolio sequence as a system — and produced a capital plan that could be defended at the two oversight cycles ahead.

Cross-program dependencies surfaced

Five dependencies hidden between programs were named, modeled, and assigned. Three were moved off the critical path of rate-case-relevant in-service milestones.

Shared bandwidth re-allocated

Three programs that had been quietly counting on the same specialist engineering team in the same fiscal quarter were re-sequenced. One program was deferred by one quarter to free bandwidth; its strategic position in the five-year plan was preserved.

Rate-case narrative pre-built at portfolio level

Cumulative cost and schedule variance was reconciled and a portfolio-level narrative pre-built before the commission staff surfaced it. The cooperative reached the rate case as the party that owned the explanation.

Member-Board capital plan defensible

The Member-Board capital plan review was supported by a portfolio-level sequencing view rather than a series of program reports — a presentation a non-technical member-elected board could test and accept.

None of this was framed as transformation. It was framed as the restoration of a discipline — testing the sequence that holds the portfolio together — that the cooperative could sustain on its own.

07 Lessons for leadership

Four observations the engagement left with the executive group. Each is offered for reflection, not prescription.

Healthy program reports do not add up to a defensible portfolio.
Seven programs can each be on schedule against their own plan and still leave the portfolio carrying a sequence that cannot be defended at rate case. The arithmetic of program reporting does not test the portfolio.

Cross-program dependencies hide between programs, not within them.
An individual program plan represents what that program owns. It does not represent what the program quietly depends on from another. The blindness is structural; the cost is portfolio-level.

Tactical capital reallocations need a portfolio-level retest.
A reallocation that is defensible on its own may, in aggregate with others, drift the sequence away from the rolling capital plan. The drift is rarely visible from inside any single decision.

Variance is more defensible when the operator surfaces it first.
A commission that surfaces cumulative variance before the utility does will frame the conversation. A utility that pre-reconciles will own the explanation. Over the rate-case cycle, that asymmetry is material.

VALIDATION POSITION · POINT-IN-TIME RECONCILIATION

Forensic snapshot of portfolio sequencing at the time of engagement. Material changes to the rolling capital plan, program scope, or regulatory cycle require renewed reconciliation. All detail generalized for board-safe and rate-case-safe publication. **Independent IT Delivery Assurance** conducts portfolio reviews of this kind typically in four to six weeks, without disruption to program execution cadence.