

TECHNICAL PAPER

Governance of In Period Capital Project Substitutions in Ontario Electricity Distribution

A Regulatory Prudence and Internal Audit Framework

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This paper provides governance and regulatory analysis and does not constitute legal advice

Abstract

Ontario electricity distributors prepare multi year distribution system plans to support rate applications, yet capital execution necessarily changes when municipal coordination, procurement delays, asset failures, connection requests, climate events, and load growth alter the timing or priority of work. This paper examines the governance problem created when an approved or filed capital plan and the projects placed in service during the plan period diverge. It asks what evidence and controls can preserve execution flexibility while supporting customer value, regulatory defensibility, and effective internal assurance. The analysis uses a structured review of primary Ontario regulatory materials, a leading Supreme Court of Canada decision on utility prudence review, selected Ontario Energy Board decisions, and the Global Internal Audit Standards. The review identifies five recurring evidentiary requirements: a documented change trigger, a refreshed statement of need, a comparison of feasible alternatives, traceable customer outcome and cost impacts, and approval proportional to materiality. The paper proposes a Capital Substitution Governance Model built around decision gates, a contemporaneous decision record, portfolio reconciliation, and risk based assurance. The model is intended to complement rather than replace a distributor's asset management, procurement, financial control, and regulatory reporting processes. Its central claim is that regulatory defensibility depends less on proving that the substitute project was perfect and more on demonstrating that the decision process was reasonable, informed, transparent, and connected to customer outcomes at the time the decision was made. The framework is designed for practical use by regulatory affairs, finance, asset management, engineering, and internal audit leaders in Ontario local distribution companies.

Keywords Ontario Energy Board electricity distribution capital planning project substitution regulatory prudence internal audit distribution system plan rate base

Author Note

This technical paper develops an earlier practitioner article by the author titled When the Plan Meets Reality Defending In Period Capital Shifts Before the OEB, published on LinkedIn in September 2026. The earlier article introduced the operational problem and a high level governance response. This paper is a separate scholarly work. It adds an explicit research question, a defined primary source corpus, a structured analytical method, refined treatment of the governing case law, a multi gate control model, an audit program, and stated limitations. The earlier article is cited in the references to make that relationship transparent and to avoid presenting previously published practitioner commentary as wholly new scholarship (Sookram 2026).

Executive Summary

Capital plans are forecasts, not immutable construction schedules. Ontario's rate setting framework gives distributors operational responsibility and some flexibility to deliver required outcomes within approved funding, while also placing the onus on the utility to justify the costs included in rates. That combination creates a governance tension. A utility that treats every filed project as fixed can lose the ability to respond to changing system needs. A utility that reallocates capital without disciplined evidence can create a record that is difficult to defend at the next rebasing or custom rate proceeding.

The primary regulatory materials reviewed for this paper do not prescribe a single project substitution protocol. They do, however, repeatedly require evidence of need, alternatives, prioritization, pacing, customer benefit, cost control, and performance. The OEB's 2027 Chapter 5 filing requirements also require historical explanations of actual versus approved or planned capital expenditures and work volumes. These requirements support a process based inference: when a material project changes, the utility should recreate the same essential decision logic that would have supported the investment in a rate application, scaled to the significance of the change.

The proposed model organizes that logic into five gates. Gate One establishes the external or internal trigger and confirms that the original plan assumption has changed. Gate Two refreshes system need and urgency. Gate Three compares the substitute against feasible alternatives, including deferral and operating or non wires responses where relevant. Gate Four quantifies portfolio, customer, accounting, and regulatory effects. Gate Five obtains approval, records dissent or conditions, and establishes monitoring. A portfolio reconciliation then connects individual decisions back to the approved funding envelope, in service additions, outputs, and outcomes.

Internal audit should not approve individual capital decisions or assume management's regulatory role. Its contribution is independent assurance over design and operation of the substitution process. A risk based audit can test whether material changes were captured, evidence was contemporaneous, alternatives were credible, benefits were traced to customers, approvals followed authority limits, and deferred projects were prevented from being recovered twice. This shifts assurance from invoice validity alone toward the governance evidence likely to matter in regulatory review.

1 Introduction

1.1 The Operating Problem

A distribution system plan is both a regulatory record and a management forecast. It connects asset condition, reliability, customer connections, regional planning, public policy, and financial capacity to a five year expenditure program. The filed plan supports a proposed revenue requirement, but the work is delivered in an environment that changes faster than a rate cycle. Road authorities alter schedules. Specialized equipment arrives late. Developers revise connection dates. Weather accelerates asset degradation. New industrial or transportation loads create needs that were not fully visible when the plan was prepared.

These changes produce legitimate project deferrals, accelerations, scope revisions, and substitutions. The governance question is not whether change should occur. It is how the utility can demonstrate that a material change preserved or improved customer value and did not undermine the assumptions on which rates were set. The problem is especially acute when a delayed project and its replacement differ in investment category, customer beneficiaries, useful life, risk reduction, or timing of in service additions.

1.2 Research Question

What governance and internal assurance practices can an Ontario electricity distributor use to manage material in period capital project substitutions while preserving operational flexibility and producing evidence capable of supporting future regulatory review

1 3 Contribution

This paper contributes a practical control architecture derived from the evidentiary themes in Ontario's filing requirements and rate setting guidance. It does not propose a new accounting standard or assert a rigid legal test. Instead, it translates recurring regulatory expectations into decision gates, minimum records, portfolio controls, and audit procedures. The model is intended to be scalable across distributor size and rate setting method.

1 4 Scope

The analysis focuses on Ontario electricity distributors and changes to capital projects or programs during a multi year plan period. It considers Custom Incentive Rate setting and rebasing contexts because both rely on evidence concerning historical performance, forecast need, and customer value. It does not determine the regulatory treatment of any specific expenditure, interpret a utility's settlement agreement, or replace legal advice on a particular variance account.

2 Regulatory and Professional Context

2 1 Just and Reasonable Rates

Section 78 of the Ontario Energy Board Act authorizes the OEB to set electricity distribution rates that are just and reasonable. The OEB's Rate Handbook states that the utility bears the onus of demonstrating that its proposals satisfy that standard. A comprehensive rate application therefore combines a business plan, historical and forecast information, supporting plans, and rate models. The adjudicative process tests this evidence through interrogatories, conferences, submissions, and where required oral evidence (Ontario Energy Board 2016).

This allocation of the evidentiary burden matters for project substitutions. A substituted project may be operationally sound and properly capitalized, yet still be difficult to defend if the record does not show why the decision was made, which alternatives were considered, and how benefits and costs compare with the original plan. Regulatory evidence is broader than proof that an asset exists.

2 2 Outcomes Based Regulation and Planning

The Rate Handbook describes an outcomes based framework emphasizing customer focus, operational effectiveness, financial performance, and public policy responsiveness. It expects robust integrated planning, pacing and prioritization of investments, monitoring of performance, and customer engagement. It also states that utilities are responsible for operating their systems and undertaking the work needed to meet performance requirements within approved funding. The resulting design is neither pure project by project command and control nor unconstrained managerial discretion. It is accountable flexibility (Ontario Energy Board 2016).

The 2027 Chapter 5 filing requirements reinforce this relationship. A distributor must use an asset management process to plan, prioritize, and optimize expenditures. The capital expenditure plan must comprehensively justify five years of proposed system and general plant expenditures. Historical reporting must explain differences between actual and OEB approved or planned capital, including differences in work volume. Material investments require evidence of need, scope, timing, expenditure, priority, alternatives, and benefit cost results. Efficiency, customer value, reliability, and safety are identified as primary evaluation criteria (Ontario Energy Board 2025).

2 3 Custom Incentive Rate Setting

Custom Incentive Rate setting is designed for utilities whose circumstances justify a customized multi year approach. The Rate Handbook expects a Custom IR application to show the utility's ability to plan and operate within the proposed framework, including appropriate incentives, performance measures, and customer protections. As a general design principle, multi year mechanisms reduce routine annual

reopening of the forecast and place greater weight on management execution and end of term reconciliation. Utility specific decisions and settlement terms can add variance accounts, capital related true ups, or other mechanisms. The precise treatment must therefore be read from the applicable decision and accounting order rather than inferred from the label Custom IR alone (Ontario Energy Board 2016; Ontario Energy Board 2019).

2.4 Prudence and the OPG Decision

Ontario Energy Board v Ontario Power Generation Inc concerned the OEB's treatment of compensation costs. The Supreme Court of Canada held that a presumption of prudence was not compelled and recognized the regulator's methodological discretion within its statutory mandate. The decision is best used here as a caution against simplistic formulas. It does not create a universal checklist for capital substitutions, and it does not mean every actual cost is recoverable merely because management incurred it. The practical implication is that utilities should build a record capable of supporting reasonableness under the applicable statutory and regulatory framework, with attention to information available when the decision was made (Ontario Energy Board v Ontario Power Generation Inc 2015).

2.5 Internal Audit

The Global Internal Audit Standards define a principles based framework for governing and managing internal audit and for planning, conducting, communicating, and following up on engagements. Applied to capital substitutions, internal audit's role is to assess whether governance, risk management, and controls provide reasonable assurance over the decision process. Independence is preserved when audit evaluates the framework and selected decisions rather than acting as a required approver or substituting its judgment for engineering, regulatory, or executive management (Institute of Internal Auditors 2024).

3 Research Method

3.1 Design

The paper uses qualitative doctrinal and structured document analysis. Primary documents were selected because they define the statutory test, rate setting expectations, current capital filing requirements, a relevant appellate treatment of prudence methodology, or professional internal audit expectations. The review is normative and practice oriented. It identifies recurring evidence themes and translates them into a governance design. It does not estimate the frequency or monetary value of disallowances across the sector.

3.2 Source Corpus

Source	Reason for inclusion	Analytical use
OEB Rate Handbook 2016	Framework for just and reasonable rates and outcomes based regulation	Onus customer value planning flexibility and review tools
OEB Chapter 1 2026	Current general filing expectations for electricity distribution applications	Applicant responsibility for complete clear and justified evidence
OEB Chapter 5 2027 applications	Current distribution system plan and capital evidence requirements	Need alternatives prioritization pacing outcomes and variance explanations
Ontario Energy Board v Ontario Power Generation 2015 SCC 44	Leading appellate decision on prudence methodology	Limits of automatic presumptions and importance of statutory context
Selected Toronto Hydro Custom IR materials	Illustration of utility specific multi year capital mechanisms	Need to read decision specific variance and reconciliation terms
IIA Global Internal Audit Standards 2024	Current professional framework effective 2025	Independent assurance design planning evidence and follow up

3 3 Coding Dimensions

Each regulatory source was reviewed against six coding dimensions: decision need, alternatives, customer outcomes, cost and timing, approval and accountability, and subsequent monitoring or reconciliation. The codes were chosen before the governance model was finalized. The model was then tested for whether each gate produced evidence responsive to at least one regulatory theme and whether the overall set addressed all six dimensions.

3 4 Analytical Limitations

The document set is intentionally focused and is not an exhaustive review of every Ontario distributor decision, settlement proposal, accounting order, or interrogatory response. OEB decisions are fact specific. A project change that is immaterial for one utility may be significant for another because of its rate plan, total capital envelope, customer impact, or variance account. The proposed model should therefore be calibrated to utility specific authorities and tested by regulatory counsel where consequences are material.

4 Findings

4 1 Capital Flexibility Is Conditional

The Rate Handbook recognizes that utilities operate their systems and choose the work required to meet obligations within available funding. That flexibility is accompanied by assessment of planning, due diligence, governance, outcomes, and cost control. The evidence therefore supports a concept of conditional flexibility: management may change execution, but the quality of the process and the connection to customer outcomes remain reviewable.

4 2 The Evidence Burden Extends Beyond Transactions

Procurement approvals, invoices, capitalization tests, and in service records establish important facts. They do not establish the comparative reasonableness of replacing one planned investment with another. Current Chapter 5 requirements ask for alternatives, timing factors, priority, and benefit cost information for material investments. A substitution record that contains only purchase documentation cannot reproduce this broader investment logic.

4 3 Materiality Is Multidimensional

Dollar thresholds are necessary for efficient governance but insufficient by themselves. A smaller change can be material when it alters a reliability commitment, affects a vulnerable customer group, changes an investment category, consumes variance account capacity, creates future duplicate recovery risk, or signals a broader failure in planning assumptions. Materiality should therefore combine financial magnitude with qualitative regulatory and customer factors.

4 4 Contemporaneous Records Reduce Reconstruction Risk

A future rate case may occur years after the project decision. Personnel change, forecasts are overwritten, and informal discussions are difficult to reconstruct. The regulatory record is stronger when management preserves the facts, assumptions, alternatives, and approvals available at the decision date. Contemporaneous evidence does not guarantee a particular regulatory outcome, but it reduces reliance on hindsight narratives and unsupported recollection.

4 5 Portfolio Reconciliation Is as Important as Project Approval

A well supported substitute project can still create a regulatory issue if the original project later returns without clear treatment of previously funded amounts, or if aggregate in service additions and outcomes fall below the plan. Governance must therefore connect each project decision to the portfolio, funding envelope, rate base forecast, work volume, and future plan. This is the control that addresses potential duplicate recovery and explains why actual deployment differs from the filed program.

Finding	Risk if absent	Required governance response
Conditional execution flexibility	Change appears arbitrary or disconnected from approved outcomes	Document authority trigger and continuing alignment with obligations
Broader evidence burden	Valid expenditure lacks investment rationale	Record need alternatives costs timing and customer benefit
Multidimensional materiality	High consequence changes bypass escalation	Combine quantitative and qualitative factors
Contemporaneous evidence	Future application depends on hindsight reconstruction	Create and lock a dated decision record
Portfolio reconciliation	Deferred work or funding treatment becomes unclear	Maintain an approved to actual project bridge and future cycle disposition

5 Capital Substitution Governance Model

5.1 Design Principles

- **Proportionality** The depth of analysis increases with financial regulatory safety reliability and customer significance
- **Contemporaneity** Evidence is created when the decision is made and retained with controlled versions
- **Comparability** The substitute is assessed against the original project deferral and other feasible responses
- **Traceability** Each decision links to the system need customer outcome capital envelope and future regulatory treatment
- **Independence** Internal audit assesses the control system without becoming a management approver

5.2 Entry Criteria

The process should begin whenever a project or program change exceeds the utility's established threshold or meets a qualitative trigger. Entry events include cancellation, deferral beyond the plan year, acceleration, material scope change, budget transfer, replacement by a different project, or a change in primary investment driver. Emergency work may proceed under existing incident authorities, but the decision record should be completed promptly after stabilization.

5.3 Materiality Screen

Dimension	Illustrative indicator	Escalation implication
Financial	Change exceeds a percentage of project budget annual category or approved capital envelope	Higher approval level and finance review
Regulatory	Project is named in a decision settlement DSP commitment or variance account	Regulatory affairs and counsel review
Customer	Change affects rates reliability connection timing or distributional outcomes	Customer impact analysis and executive approval
Operational	Change affects safety capacity critical assets or emergency preparedness	Engineering and operational risk validation
Portfolio	Change crosses investment categories or shifts in service additions between years	Portfolio reconciliation and forecast update
Reputational	Change may attract municipal Indigenous community or intervenor attention	Stakeholder plan and enhanced documentation

5.4 Decision Gates

Gate	Core question	Minimum evidence	Primary owner
One Trigger	What changed and when	Dated event facts original assumption source evidence and urgency	Project sponsor
Two Need	Does the system need remain and what is now required	Need statement asset condition load reliability safety and timing	Asset management
Three Options	Why is the substitute preferred	Original plan deferral substitute and other feasible options with cost risk and outcome comparison	Engineering and finance
Four Impact	What changes for customers and the regulatory portfolio	Customer benefits cost category rate base timing work volume and variance account analysis	Regulatory affairs and finance
Five Approval	Who accepts the decision and conditions	Authority approval dissent conditions monitoring owner and review date	Accountable executive

5.5 The Counterfactual Comparison

The most useful substitution analysis compares the proposed decision with credible counterfactuals. At minimum, management should evaluate continuing the original project, deferring it, cancelling it, and undertaking the substitute. Where relevant, the set should include operating solutions, staged work,

procurement alternatives, third party services, or non wires solutions. The analysis should state why an option is infeasible rather than omitting it silently.

A common error is to compare the substitute only with doing nothing. This can overstate benefit and conceal the effect of the original project. Another error is to compare unlike benefits without a common decision horizon. The record should normalize the comparison using consistent dollars, forecast date, risk horizon, and outcome definitions. Where benefits cannot be monetized, management should state the measure, expected direction, and evidence supporting the judgment.

5 6 Customer Value Trace

Customer value should be expressed as more than a general statement of reliability. The record should identify affected customers or customer classes, the service outcome, timing, risk reduction, and cost consequence. Examples include avoided customer interruption hours, capacity made available for connections, reduced probability of equipment failure, avoided temporary supply arrangements, or deferral of a higher cost alternative. Distributional effects should be noted where a substitute benefits a different population from the original project.

5 7 Portfolio Bridge

Finance or the capital portfolio office should maintain a bridge from the approved or filed plan to current execution. Each material change receives a unique identifier and is linked to the original project, substitute, decision date, amount transferred, revised in service date, investment category, expected outcome, and future disposition. The bridge should reconcile to the capital forecast and general ledger without treating those financial records as substitutes for the decision evidence.

6 Internal Audit Program

6 1 Audit Objective

The audit objective is to assess whether the utility's governance over material capital changes provides reasonable assurance that substitutions are authorized, supported by timely and relevant evidence, connected to customer and system outcomes, accurately reflected in the capital portfolio, and available for regulatory reporting. The engagement should evaluate both control design and operating effectiveness.

6 2 Risk Assessment

The audit universe should include the population of deferred, accelerated, cancelled, re scoped, and substituted projects, not only transactions explicitly labelled substitutions. Risk scoring can combine dollar magnitude, named regulatory commitment, investment category change, variance account relevance, safety or reliability significance, customer impact, and timing near the end of a rate period. Sampling should deliberately include judgmental outliers and lower dollar qualitative risks.

6 3 Core Audit Procedures

Control objective	Illustrative audit test	Evidence
Complete population	Reconcile portfolio status changes budget transfers and project closure codes to the substitution register	Project system change logs forecasts and general ledger
Timely rationale	Compare trigger date decision date and record completion date	Decision record source correspondence and approvals
Credible alternatives	Inspect whether original project deferral and feasible alternatives were evaluated on consistent assumptions	Options analysis cost estimates and risk assessments
Customer value	Trace claimed benefits to a defined measure baseline affected customers and monitoring plan	Reliability capacity service and customer data
Proper approval	Reperform the materiality screen and compare approval with delegated authority	Authority matrix minutes and electronic approvals
Portfolio treatment	Trace transferred amounts in service dates categories and	Capital bridge fixed asset records and

Control objective	Illustrative audit test	Evidence
	future disposition to forecasts and regulatory schedules	application schedules
No duplicate recovery	Identify deferred projects returning in the next plan and test disclosure of prior funding and status	Current and next DSP project mapping

6 4 Audit Boundaries

Internal audit should not certify that a project is prudent, guarantee rate recovery, or select the preferred engineering solution. Those conclusions belong to management and ultimately the regulator. Audit can conclude on whether the process was followed, evidence was reliable, key judgments were transparent, and reporting was complete. Where audit lacks engineering or regulatory expertise, it should use qualified specialists while retaining responsibility for the engagement conclusion.

6 5 Reporting

Audit findings should distinguish isolated documentation gaps from systemic governance weaknesses. A late signature on an otherwise complete decision may have different significance from an absent alternative analysis across an entire program. Reports should identify the regulatory consequence of each control failure, such as inability to explain variance, unclear customer benefit, or duplicate recovery exposure. Action plans should name owners, deadlines, and the applications or reconciliations affected.

7 Implementation

7 1 Roles

Role	Accountability
Board or committee	Oversee material capital performance risk appetite and significant departures from approved plans
Executive capital committee	Approve material substitutions resolve trade offs and monitor portfolio outcomes
Asset management and engineering	Define need evaluate technical options and estimate system outcomes
Finance	Validate cost assumptions funding impacts capitalization and portfolio reconciliation
Regulatory affairs	Interpret application commitments decisions accounts and future evidence needs
Legal counsel	Advise on material statutory decision or settlement implications where required
Internal audit	Provide independent risk based assurance over the framework and selected decisions

7 2 Phased Adoption

- 1 Define the taxonomy for deferral acceleration cancellation scope change and substitution and identify source systems
- 2 Approve financial and qualitative materiality triggers and map them to delegated authority
- 3 Pilot the decision record on a small number of live projects from different investment categories
- 4 Create the approved to actual portfolio bridge and reconcile it monthly or quarterly
- 5 Integrate regulatory affairs review before evidence is finalized for named commitments or special mechanisms
- 6 Complete a post implementation internal audit and refine thresholds based on exceptions and effort

7 3 Information Governance

The decision record should be stored in a controlled repository with version history, named owners, and retention aligned to the rate cycle and litigation requirements. Source documents should be linked rather than copied into uncontrolled folders. Key quantitative assumptions should preserve the model version and

data date. Access controls must allow regulatory, finance, legal, and audit functions to retrieve the complete record without undermining privilege or confidential treatment where applicable.

7 4 Performance Measures

Implementation measures should test the governance process without rewarding paperwork for its own sake. Useful measures include the percentage of material changes captured before commitment, median time from trigger to decision, proportion with quantified customer outcomes, unresolved conditions, reconciliation exceptions, and repeat audit findings. Outcome measures can compare realized reliability, capacity, cost, and schedule results with the approved substitution case. Management should avoid using approval volume as a success measure because a high number may reflect either disciplined capture or unstable planning.

8 Discussion

8 1 From Forecast Compliance to Decision Quality

A narrow compliance model asks whether the executed project matches the filed line item. A decision quality model asks whether the change was necessary, whether alternatives were evaluated, whether customer value remained credible, and whether the portfolio treatment is transparent. The second approach better reflects an environment in which plans must adapt while costs remain subject to regulatory scrutiny. It also produces evidence useful to management before it is useful to a hearing panel.

8 2 Relationship to Financial Controls

The proposed controls sit upstream of invoice processing and asset capitalization. They do not duplicate purchase order matching, procurement competition, fixed asset commissioning, or accounting review. Instead, they establish why the organization selected the investment and how that choice relates to the plan. The financial system can then validate what was spent and placed in service, while the governance record explains the decision.

8 3 Relationship to Regulatory Strategy

The framework should not be treated as a device for manufacturing a litigation narrative. Its value is greatest when it improves real decisions. A record that acknowledges uncertainty, rejected alternatives, and conditional approval is often more credible than a uniformly positive justification prepared after completion. Regulatory strategy benefits when the evidence shows that management recognized trade offs and established monitoring rather than claiming certainty that did not exist.

8 4 Proportionality and Burden

A process that requires a full business case for every minor schedule movement will fail operationally. Proportionality is therefore essential. Lower risk changes can use a short form record and manager approval. Higher risk changes require quantified alternatives, cross functional review, executive approval, and perhaps board visibility. Periodic calibration should compare administrative effort with exceptions, audit findings, and regulatory exposure.

9 Limitations and Future Research

The framework has not been empirically tested across a representative sample of Ontario distributors. Future research could code OEB decisions and settlement agreements for the treatment of capital under spending, substitutions, in service additions, and variance accounts. Interviews with regulatory, engineering, finance, audit, intervenor, and consumer representatives could test whether the proposed evidence fields are sufficient and proportionate. A further study could examine whether stronger

substitution governance is associated with fewer interrogatories, shorter settlement discussions, or lower disallowance risk. Those relationships should not be assumed without data.

The paper also does not resolve accounting treatment. Regulatory accounting, financial reporting, and rate base recognition can differ in purpose and timing. Utilities should apply the relevant accounting standards, OEB accounting procedures, licence conditions, and decision specific orders. Similarly, the Supreme Court decision discussed above concerns its own record and statutory context; it supports careful reasoning but should not be converted into a universal project approval formula.

10 Conclusion

Capital execution will diverge from a multi year plan because the distribution system and the communities it serves continue to change. The defensible response is not to eliminate management flexibility. It is to govern that flexibility through evidence proportional to the consequence of the change. Ontario's regulatory materials consistently emphasize need, alternatives, prioritization, pacing, customer value, cost control, outcomes, and variance explanation. Those themes can be operationalized before the next rate case.

The Capital Substitution Governance Model provides a practical bridge. It begins with a dated trigger, refreshes system need, compares credible options, evaluates customer and portfolio impacts, records accountable approval, and reconciles the decision to actual execution and future plans. Internal audit then provides independent assurance over whether that process is complete, timely, reliable, and operating as designed. The result is a more useful management discipline and a stronger regulatory record: not proof that every forecast was correct, but evidence that the organization responded reasonably when reality changed.

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Appendix A Capital Substitution Decision Record

The following fields form a scalable minimum record. A short form may be used below the enhanced review threshold, but every field should be answered or marked not applicable with a reason.

Record section	Required content
Identification	Decision identifier original project substitute project program investment category sponsor and date
Trigger	Event date source evidence changed assumption and required decision timing
Original commitment	Filed or approved scope cost timing output outcome and relevant decision settlement or account
Refreshed need	Current need urgency asset or system evidence and consequence of delay
Options	Original plan deferral cancellation substitute and other feasible alternatives
Comparison	Consistent cost horizon risk timing reliability safety capacity customer and operational assumptions
Customer value	Affected customers outcomes measures baseline distributional effects and uncertainty
Portfolio impact	Budget transfer rate base timing work volume category variance account and future DSP treatment
Risk and sensitivity	Key assumptions downside case dependencies procurement schedule and residual risk
Recommendation	Preferred option reason conditions and monitoring requirements
Approval	Materiality result reviewers delegated authority decision date dissent and conditions
Closeout	Actual cost in service date delivered outputs outcomes lessons and future regulatory disposition

Appendix B Illustrative Audit Work Program

- 1 Obtain the capital plan project register budget transfer log project status history and general ledger extracts and reconcile the population of material changes
- 2 Assess whether the substitution policy defines change types financial thresholds qualitative triggers emergency treatment roles approvals retention and monitoring
- 3 Select a risk based sample including named regulatory commitments cross category transfers end of term in service changes and projects returning in the next plan
- 4 For each sample compare the trigger date with the analysis and approval dates and inspect source evidence for the change
- 5 Evaluate whether the refreshed need and urgency are supported by asset condition reliability capacity safety customer or external evidence
- 6 Inspect the alternatives comparison for credible options consistent assumptions explicit uncertainty and treatment of the original project
- 7 Trace customer benefit claims to baselines measures affected populations and post approval monitoring
- 8 Reperform the materiality assessment and verify cross functional review and approval against delegated authority
- 9 Trace project and funding changes to forecasts the general ledger fixed asset records in service dates investment categories and regulatory schedules
- 10 Review subsequent plans for deferred projects and assess whether prior funding status and duplicate recovery risk are clearly addressed
- 11 Aggregate exceptions by root cause and assess whether they indicate isolated documentation issues or a systemic weakness
- 12 Agree management actions owners deadlines and regulatory milestones and establish follow up procedures

Appendix C Google Scholar Publication Readiness

Google Scholar includes scholarly articles and technical reports when its crawlers can identify and index the work. Publication on a personal website does not guarantee inclusion. The following controls improve discoverability and should be implemented on the final public article or document page (Google Scholar, n.d.).

Requirement	Implementation
Scholarly format	Publish this work as a technical paper with abstract author references and a stable version date
Dedicated landing page	Use one public URL containing the title author abstract publication date and link to the full paper
Searchable file	Provide a text searchable PDF preferably below five megabytes rather than an image only scan
Metadata	Add citation title citation author citation publication date and citation pdf url meta tags
Stable access	Avoid login paywall robots exclusion and changing download URLs
Visible structure	Place the full title prominently at the top author directly below and references at the end
Site navigation	Link the paper from a research or publications page and include it in the site's sitemap
Verification	After indexing is possible search the exact title in quotation marks and verify metadata and versions