Q. **(Reference Schedule B, Information Systems)**

With respect to Artificial Intelligence (AI):

a) **What consideration has NP given to using AI chatbots and virtual agents to reduce call centre staffing requirements, and how, if at all, is that reflected in the 2027 CBA?**

b) **What consideration has NP given to AI reducing costs of cybersecurity and how, if at all, is that reflected in the 2027 CBA?**

c) **What consideration has NP given to AI efficiency gains in grid operations and field services through predictive maintenance (eg. predicting equipment failures) and cutting down on emergency response mechanisms; and how, if at all, is this reflected in the 2027 CBA?**

A. a) Newfoundland Power has been actively evaluating and implementing artificial intelligence ("AI") technologies to enhance customer service delivery. Since 2025, the Company has operated an AI-enabled webchat solution ("Alex") that provides customers with 24 hour, 7 day per week access to information and support through the Company's website.[1] The AI webchat solution is intended to improve customer accessibility, provide service outside regular business hours, and offer customers an additional digital service channel.

As part of the *2027 Capital Budget Application*, Newfoundland Power is proposing to enhance the capabilities of its existing AI webchat solution.[2] Proposed enhancements would allow customers to complete additional self-service transactions online, including activities such as move-in/move-out requests and program enrolment, through improved AI functionality and deeper integration with internal systems. These enhancements are intended to improve the customer experience and provide greater convenience for customers seeking digital service options. For information on the benefits of continued enhancement of the Company's webchat function, see the response to Request for Information CA-NP-049.

b) Since 2019, the Company has been executing a multi-year Cyber Risk Management Program ("CRMP") to strengthen and mature its cybersecurity capabilities.

[1] The automation of the Company's webchat function, including the integration of AI technology, was approved as part of Newfoundland Power's *2024 Capital Budget Application*. See Board Order No. P.U. 2 (2024).

[2] See the *2027 Capital Budget Application*, Schedule B, page 141.

AI is being leveraged to support the advancement and sustainment of the CRMP. Examples include AI-assisted phishing simulations, AI-enabled email threat detection, automated threat monitoring and analysis, and automated ticket generation to support issue remediation. Newfoundland Power's primary objective in leveraging AI for cybersecurity has been to strengthen the Company's security posture and improve risk management capabilities in a least-cost manner.[3]

c) Newfoundland Power recognizes the potential for AI to support utility operations through applications such as predictive maintenance, outage prediction, asset health monitoring, and field service optimization. The Company continues to monitor developments in these areas and is evaluating opportunities to leverage AI where they are proven to be practical and cost-effective.

The *2027 Capital Budget Application* includes investments that support the adoption of emerging technologies, including AI enablement, data analytics, automation, and modernization of core information systems. These investments help establish foundational capabilities that may support future AI applications and cost efficiencies.

Newfoundland Power will continue to assess AI opportunities as technologies evolve and as supporting data and operational capabilities mature.

[3] Initiatives aimed to strengthen the Company's security posture and improve risk management capabilities are necessary in the provision of least-cost reliable service and leveraging AI in real time ensures costs required to complete comparable initiatives without AI are avoided. Further, any costs or cost efficiencies associated with managing cybersecurity risk would be reflected in future general rate applications as opposed to the *2027 Capital Budget Application*. For further information, see the response to Request for Information CA-NP-006.