Subject: Exploring Customer Churn and Price Sensitivity

Dear [AD],

Following team discussions, we're keen on delving deeper into the hypothesis that customer churn is linked to price sensitivities. To test this hypothesis and delve into the impact of prices on churn rates, we're planning to model customer churn probabilities and discern the influence of prices.

For this purpose, we'll require the following data:

1. Customer Data: Includes client characteristics like company size, sector, historical electricity consumption, date of becoming a customer, etc.
2. Churn Data: Indicates whether the customer has churned or not.
3. Historical Price Data: Details the prices the client charges for both electricity and gas at specific time intervals.

Once we've obtained the necessary data, the outlined plan is as follows:

1. Define and quantify price sensitivity.
2. Perform feature engineering based on the data and construct a binary classification model to predict customer churn likelihood.
3. Select the optimal model considering complexity, explainability, and accuracy trade-offs.
4. Investigate the impact and mechanisms of price fluctuations on churn.
5. Utilize the model to gauge the business impact of the client’s proposed discounting strategy.

Thank you for your attention to this matter.

Best regards,
Alejandro Aguilera