Dear Associate Director(AD)

In order to solve your problem, we need to test the hypothesis. In order to test the hypothesis, we need data on the following to predict.

1. Customer Data - which should include the characteristics of the clients, budget, consumption of electricity, contract signed date,etc

2. Churn data of previous customers

3. Historical Price Data - which include the prices the client charged on each customer in their contract time.

Hypothesis

H0 - Churn rate is driven by customers' price sensitivities
H1 - Changes in price is not a factor of churn rate, therefore alternate problem solutions.

Once we have the data, predictive analytical models have to be engineered based on the supervised learning algorithms

We would be able to understand the magnitude and impact of the prices on churn rate as well as other factors. Furthermore, the model would allow us to size the business impact of the client's proposing discounting strategy of 20%.

Regards
Farhan