

**TENNESSEE AMERICAN WATER COMPANY**  
**Docket No. 06-00290**  
**DIRECT TESTIMONY**  
**JOACHIM VOLZ**

1. **Question:** Please state your name and business address.

**Response:** My name is Joachim Volz and my business address is Moccasin Bend Wastewater Treatment Plant, Moccasin Bend Road, Chattanooga, TN 37402.

2. **Question:** What is your educational background?

**Response:** I have the equivalent of a Bachelor of Science Degree from Berufspädagogische Hochschule located in Stuttgart, Germany.

3. **Question:** By whom are you employed and in what capacity?

**Response:** I am employed by the City of Chattanooga, Tennessee. My job title is Financial Coordinator for the Waste Resources Division of the City's Department of Public Works.

4. **Question:** In what manner do you interact with the Tennessee American Water Company?

**Response:** I am the City's principal contact with Tennessee American Water Company ("TAWC") with respect to billing and collection of sewer fees. TAWC handles billing and collection services for the City's sewer fees on a contractual basis for customers of TAWC who are served by the Chattanooga sewer system.

5. **Question:** Approximately how many Chattanooga sewer customers are billed by TAWC?

**Response:** Approximately 55,000.

6. **Question:** When a customer refuses to pay their combined water and sewer bill, how are those bad debts or uncollected fees accounted for between the Chattanooga and TAWC?

**Response:** Bad debts and uncollected fees are prorated according to the relative billings of the water and sewer fees.

7. **Question:** Have you reviewed the history of uncollected sewer fees since 2003.

**Response:** Yes. I have prepared a spreadsheet showing the uncollected sewer fees. The first column refers to the monthly period; the second column accounts for the bad debt expense for sewer fees written off; the third column lists the reinstatement of debt previously written off; and the last column reflects the number of bills produced by TAWC during each billing cycle. It is attached to my testimony as Exhibit "A".

8. **Question:** Do you detect any significant increase in the level of debt collection since 2003?

**Response:** No. You can see a few anomalies such as the very large bad debt expense of \$57,079.35 written off in July, 2004, and the relatively large reinstatement of \$19,209.34 bad debt in December, 2006; however, the yearly averages do not, in my opinion, demonstrate any trend of higher collection of bad debt.

9. **Question:** Are you aware of any extraordinary efforts by TAWC to collect bad debts?

**Response:** No. The method that they have traditionally used to discontinue water service after the bill becomes delinquent seems to be very effective.

10. **Question:** Does this conclude your testimony?

**Response:** Yes.

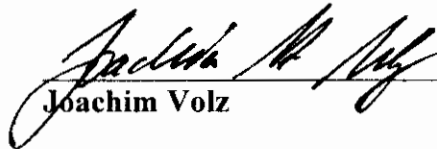
**TENNESSEE REGULATORY AUTHORITY**

**STATE OF TENNESSEE**

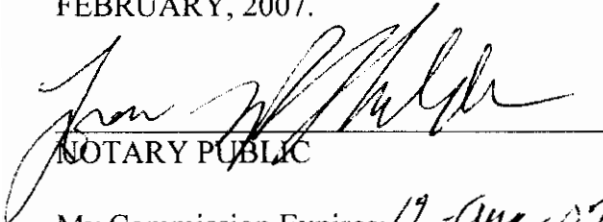
**COUNTY OF HAMILTON**

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared, **Joachim Volz**, who, being by me first duly sworn deposed and said that:

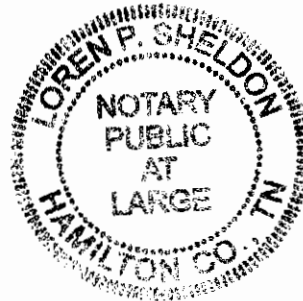
He is appearing as a witness on behalf of the City of Chattanooga, Tennessee, before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, his testimony would set forth in the annexed transcript consisting of two pages.

  
Joachim Volz

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 28 DAY OF  
FEBRUARY, 2007.

  
NOTARY PUBLIC

My Commission Expires: 17-Aug-07



Period	Bad Debt Expense (Sewer Charge Written Off)	Reinstatement of Bad Debt (Written Off Charge Collected)	Number of Bills
December-06	29,530.30	19,209.34	51,677
November-06	20,322.36	1,816.82	49,585
October-06	27,024.16	1,971.06	52,101
September-06	18,563.17	1,770.73	49,718
August-06	18,057.77	2,498.05	55,437
July-06	26,177.71	3,920.84	48,046
June-06	31,817.57	3,159.38	51,456
May-06	26,165.40	3,103.83	57,962
April-06	34,739.30	2,894.46	43,668
March-06	40,445.91	3,865.26	55,540
February-06	36,996.05	4,132.75	46,252
January-06	17,293.98	-	52,854
December-05	17,339.71	2,090.04	52,766
November-05	19,758.36	2,560.71	48,012
October-05	31,173.36	1,881.13	50,734
September-05	21,040.08	2,459.09	52,718
August-05	29,123.51	2,278.42	52,718
July-05	25,921.91	1,599.54	44,682
June-05	27,811.60	2,011.03	53,283
May-05	29,406.13	1,858.28	47,250
April-05	29,535.16	1,995.43	49,950
March-05	35,045.26	3,841.08	52,201
February-05	23,891.02	4,045.63	46,252
January-05	37,133.76	3,180.60	53,556
December-04	22,104.62	1,419.28	50,883
November-04	14,995.24	2,295.10	51,250
October-04	19,543.72	1,323.24	53,763
September-04	39,442.93	1,478.80	53,908
August-04	14,672.91	1,218.13	53,704
July-04	57,079.35	1,728.42	50,638
June-04	19,222.06	2,290.78	51,935
May-04	31,152.32	1,898.76	46,159
April-04	27,476.10	1,345.18	49,113
March-04	-	-	56,029
February-04	32,319.64	223.32	46,076
January-04	16,442.38	223.43	52,683
December-03	10,941.49	773.72	51,038
November-03	8,090.99	328.47	42,929
October-03	39,848.10	3,614.13	54,863
September-03	16,225.17	253.75	49,202
August-03	118.01	130.17	47,936
July-03	TAWC Data conversion problems		43,789
June-03	21,746.88	3,973.68	57,929
May-03	10,443.07	263.21	44,405
April-03	5,628.61	2,824.35	41,300
March-03	19,114.97	5,589.49	57,732
February-03	15,958.88	4,830.03	44,168
January-03	26,942.91	3,394.75	40,890

printout format change

## EXHIBIT "A"