

## Council Resurrects Utility Assistance Program

About four months after the city of Memphis pulled the plug on a \$2.5 million utility assistance program intended to help the working poor pay their power bills, the Memphis City Council has approved another \$2.5 million in utility assistance.

A resolution sponsored by council members Wanda Halbert and [Barbara Swearingen](#) Ware would make a maximum of \$700 available to Memphis Light, Gas and Water Division customers who receive cutoff notices from MLGW. To get the money, the MLGW customers would have to meet a variety of age and income requirements, among other things.



GOOD INTENTIONS: Memphis Light, Gas and Water Division president Jerry Collins listens Tuesday as Memphis City Council members discuss a \$2.5 million utility assistance program to help MLGW customers pay their bills. -- PHOTO BY ANDY MEEK

## Much better than nothing

As the temperature drops and the thermostat needles go up, the need for the aid likely will increase in the coming weeks. To get an idea of the reception for the utility assistance program that lasted about three months earlier this year, that program received more than 9,000 phone calls and handed out \$326,500 to several hundred MLGW customers.

Ware talked with Webb Brewer, director of advocacy for Memphis Area Legal Services, before the council's MGLW committee meeting Tuesday. He told her the need was particularly strong for that kind of program among Memphis' working poor.

"What we do know on the front end is that this is not nearly enough," Ware said. "We already know that. But this is a start. We know there is a tremendous need to do more, but we're going to do what we can with this."

Halbert said the resolution was crafted especially to target the elderly, the ill and low-income Memphians.

The shutdown earlier this year of the \$2.5 million assistance program came at what arguably was an unfortunate time for MLGW customers. The number of utility service disconnections for MLGW customers was up more than 40 percent this summer compared to the same time in 2007.

As part of the discussion about the new aid program this week, council members resurrected an item brought up regularly with MLGW officials – that of customer late fees, and what, if anything, can be done to change the fee percentage or if it can be eliminated altogether.

"We looked at the issue of whether late fees can be waived, and they cannot. Both from a legal and a contractual standpoint," said MLGW president [Jerry Collins](#).

## Pressing dilemma

Council members, however, asked that utility officials continue to press the issue.

"I would ask that you expand your investigation to see what exactly can be done to address the issue of late fees," Ware said. "Not just for the purpose of utility assistance, but for the overall purpose of not being punitive to our customers, particularly those that can least afford it. I favor eliminating the fee altogether."

Meanwhile, the new help with utility bills will be available to customers who have received a cutoff notice, according to information about the program. Cutoff notices that warn customers of imminent disconnections are generated automatically and mailed out to MLGW customers with a balance of \$200 or more.

The program illuminates what Collins said during a speech this summer to the Memphis Regional Chamber is a tough choice more MLGW customers are facing.

“We’ve got customers who make \$600 a month and in February we send them a bill for \$500,” he said. “And they’ve got to make a decision. Do I pay MLGW? Or do I buy food? Or do I pay for medicine? Or do I pay rent?”

The problem is a large one for the utility company, which apparently drove the council’s decision to bring back the assistance program. To get another idea of the scope of the problem, Chris Bieber, vice president of customer care for MLGW, said about 30 percent of the utility’s residential customers are in arrears at any one time.