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VIA ELECTRONIC FILING

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
Attn: Records Center
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Olympia WA 98504-7250

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Clutter Household Goods Tariff No. 01 Pursuant to WAC 480-15-520
Issue Date: March 11, 2021
Proposed Effective Date: June 1, 2021

Dear Mr. Johnson,

Clutter Inc. (“Clutter”) is an on-demand storage and moving company built on an end-to-end logistics and supply chain platform. Clutter is requesting permission to file an individual Household Goods tariff (“Proposed Tariff”) with the Washington Utilities and Transportation Commission (“Commission”) pursuant to WAC 480-15-520. The proposed tariff would allow customers to fully benefit from Clutter’s unique business model and service offerings that focus on moving and permanent storage services. The tariff described herein reflects an issue date of March 11, 2021 and an Effective Date of June 1, 2021.

Filed contemporaneously with this letter you will find: (a) two copies of the Proposed Tariff; (b) a redline of the Proposed Tariff compared to Tariff 15-C; (c) a power of attorney giving Chad M. Stokes authority to file tariffs on Clutter’s behalf; and (d) a request to allow Clutter to participate in the Commission’s Electronic Tariff filing program. Clutter believes the Proposed Tariff is in the public interest, will benefit customers, and will result in rates that are fair, just, reasonable, and sufficient.

Clutter’s goal is to offer quality personal property management services at affordable prices. Clutter has invested in building a technological platform to provide integrated moving and storage services. Clutter’s platform leverages advanced logistics and pricing algorithms to calculate the fixed and incremental cost of integrated moving and storage services. As a result, Clutter offers flexible services at rates that accurately reflect the actual cost of service of providing the services. This approach has proven highly effective for accommodating customers’ moving and storage needs at affordable prices.

This letter (1) describes Clutter’s proposed service offerings; (2) outlines the key differences between the Proposed Tariff and Tariff 15-C; and (3) presents information showing

that rates and charges contained in the Proposed Tariff are fair, just, reasonable, and sufficient. While Clutter's pricing model is not included in this filing, Clutter is willing to provide the Commission and Commission Staff with detailed descriptions of its pricing algorithms and model subject to a protective order.

I. Clutter Offers Integrated Moving and Storage Services.

In addition to traditional house to house moving services that do not involve storage, Clutter currently provides two types of integrated moving and storage services: Door-to-Door services and Drop-off Services ("Storage Services"). For Storage Services, the service consists of two or three phases depending on whether the Customer makes additional appointments: (1) Original onboarding; (2) Subsequent appointments (if any); and (3) Final drop-off or return.

As described in more detail below, Clutter is seeking an exception to the hourly truck and labor rates and minimums under Tariff 15-C, Item 230 for Storage Services transactions. While Storage Services are currently exempt from the pricing in Sections 2 and Sections 3 of Tariff 15-C if they fall into the Small Goods Transportation and Storage category, Clutter has found the 25 item per week limitation for Small Goods Transportation and Storage to be unworkable and complicated. For example, there does not appear to be any cost justification for charging a customer one rate for less than 25 items, and a completely different rate for 26 items or more. And this pricing structure is even more complicated if a customer wants a return of some items that were exempt from pricing in Sections 2 and 3, and other items that were not exempt.

Clutter's services offerings under the Proposed Tariff would be as follows:

Onboarding with Storage Services

- **Door-to-Door Services.** For Door-to-Door Services, Clutter's professional movers will carefully pack the customer's items in boxes, disassemble furniture, and wrap furniture securely for permanent (longer than 30 days) storage. Clutter will take pictures to create an online photo inventory of the items before transporting the items to Clutter's permanent storage warehouse. Under the Proposed Tariff the rate charged for this service will include one or more of the following: (1) a flat fee for transportation based on the storage plan cubic feet; (2) an hourly fee for labor based on the storage plan cubic feet; (3) a flat rate per item; (4) monthly permanent storage fee.
- **Drop-off Services.** With Drop-off Service, the customer packs and transports items to a local drop-off facility for temporary storage and the customer places the items in a secure storage unit. Clutter's movers will then transport the items from the temporary secure storage unit to Clutter's warehouse for permanent storage and create an online photo inventory. Under the Proposed Tariff, the rate charged for this service includes a monthly storage fee. Clutter will not charge an additional transportation fee for Drop-off Service because the incremental cost of transporting items from the drop-off facility to permanent storage is negligible and embedded in the monthly storage fee. In fact, Clutter saves money and passes this savings to the customer because it collects storage revenue without

incurring the cost to send movers to the customer's residence. Further, Clutter can transport multiple items from multiple customers simultaneously.

Subsequent Appointment with Storage Services

Once items are in permanent storage, the customer can browse the online photo inventory and select one or more items to schedule a return. As mentioned above, the minimum duration of a permanent storage contract is thirty (30) days. The customer may also add items to storage. Clutter's technology based platform allows it to efficiently manage orders from multiple customers in a close geographic area.

- **Door-to-Door Services.** Clutter's professional movers will carefully deliver items to or pick additional items up from the customer's house. Under the Proposed Tariff the rate charged for this service will include one or more of the following: (1) a flat fee for transportation; (2) an hourly fee for labor based on the storage plan cubic feet; (3) a flat rate per item; and (4) monthly permanent storage fee.
- **Drop-off Services.** If a customer requests the return of an item under Drop-off Service, Clutter will transport the item to a local drop-off facility where the customer can pick up the item from a secure storage unit. Customers may also drop off additional items at a local drop-off facility for later transport to Clutter's warehouse for permanent storage. Clutter offers these services to customers at no additional charge once per month by taking advantage of the same logistical efficiencies applicable to Onboarding Drop-off Services. Additional pick-ups or drop-offs will be subject to same pricing referenced above for the Original Onboarding. This allows customers an affordable option to access to their items in storage without needing to have every item returned.

Final Drop-off

The customer may choose to have the items delivered to their home, left in a secure storage unit at the nearest drop-off facility or a different location. Under the Proposed Tariff the rate charged for this service will include one or more of the following: (1) a flat fee for transportation based on the storage plan cubic feet; (2) an hourly fee for labor based on the storage plan cubic feet; (3) a flat rate per item.

Onboarding with House to House Local Moves (no storage)

Although a vast majority of Clutter's business involves integrated moving and storage services, Clutter also offers traditional local house to house moves. Such services would be priced at the same per hour rates established in Tariff 15-C, Item 230. However, in the Proposed Tariff, Clutter is requesting to bill by the minute and to establish a minimum hourly requirement (e.g. minimum 4 hours) in the original estimate. Tariff 15-C requires a 1 hour minimum on weekdays and a 4 hour requirement on weekends.

Dynamic Pricing

Clutter calculates its flat fee, per item and hourly rates by using logistical data analysis to create pricing algorithms that are built into its proprietary platform.¹ While a single job may or may not have all the costs listed below depending on the service type that is purchased by the customer, Clutter may use the following incremental costs when calculating cost:

- Onsite packing cost
- Onsite non-packing cost
- Parking cost
- Prep cost
- Depart cost
- Field depot cost
- Field drive cost
- Other deadtime cost
- Dock cost
- Forklift cost
- Warehouse deadtime cost
- Night drive cost
- Truck lease cost
- Truck mileage cost
- Truck geotab cost
- Truck tolls cost
- Unused fleet cost
- Field gas cost
- Field unaccounted gas cost
- Night gas cost
- Night unaccounted gas cost
- Field material cost
- Warehouse pallet material cost
- Warehouse other material cost

Each factor is designed to account for Clutter's fixed costs and incremental costs, as well as a reasonable rate of return. Clutter is continually updating and improving its pricing algorithms based on new data, so the cost factors identified above are subject to change. **Importantly, Clutter will disclose all rates and charges to the customer in advance of booking an appointment.**

¹ Clutter's pricing algorithms and the values associated with each cost factor are proprietary and confidential. As mentioned above, Clutter is willing to provide the Commission and Commission Staff with detailed descriptions of its pricing algorithms and model subject to a protective order.

II. The Proposed Tariff Is Similar to Tariff 15-C With Changes to Accommodate Clutter's Unique Service Offerings.

The Proposed Tariff is similar to Tariff 15-C and incorporates changes that allow Clutter to offer affordable traditional local house to house moves and Storage Services (Door-to-Door and Drop-off Services) to customers as described above. The Proposed Tariff applies to Storage Services and traditional house to house moves that qualify as Local Moves. Below is a narrative description of the Proposed Tariff revisions to Tariff 15-C:

- Shuttle Service. Clutter will not be providing Shuttle Service and proposes to remove these provisions from the Tariff.
- Storage in Transit. Clutter will not be providing Storage in Transit and proposes to remove these provisions from the Tariff.
- Small Goods Transportation and Storage. While Tariff 15-C exempts Small Goods Transportation and Storage from rates, rules, and charges applicable to Long Distance Moves and Local Moves, the 25 items per week/less than 500 pounds limitation is too difficult for Clutter to track and manage. If a customer sends 25 items to storage in week 1, and 26 items in week two, the pricing will be different under Tariff 15-C without justification. This becomes even more complicated to track for returns. As described above, Clutter uses logistics to optimize its services and, therefore, the number of items and weight does not always correlate to the actual cost of the service. Additionally, the 25 items per week/less than 500 pounds limitation is too small to make this service offering workable for Clutter. Clutter proposes to eliminate the Small Goods Transportation and Storage provisions.
- Permanent Storage. Clutter proposes to define permanent storage as longer than thirty (30) days, which is Clutter's minimum storage contract. Tariff 15-C defined permanent storage as longer than 90 days and shifted liability from the moving company to the warehouse after that time period. Because Clutter will be providing both the transportation and storage services, this distinction is unnecessary.
- Drop-off Service. In addition to the more traditional storage and transportation options offered by Clutter, Clutter also offers customers the opportunity and convenience of dropping off their goods at a convenient and secure temporary storage location pending pick up and transport to Clutter's permanent storage facility. This gives customers the ability to drop off household goods at their convenience at a secure storage area without assistance and at a discount compared to full-service offerings. Clutter proposes to add a definition of Drop-off Service.
- Appliance Service. Clutter proposes to remove Item 62 because Clutter does not provide appliance services. If Clutter provides appliance services in the future, it will do so under Tariff 15-C.
- Long Distance Moves. Clutter does not currently provide Long Distance Moves in Washington State and proposed to remove Section 2 from the Proposed Tariff. To the extent that Clutter provides service for Long Distance Moves in the future, such services would be subject to the rates and charges in Tariff 15-C.

- Hourly Rates: When hourly rates are applicable, Clutter proposes to use real time measured in hours and minutes, rather than 15-minute increments. Clutter’s technology-based platform allows tracking of services in real-time. This benefits customers because they are only charged when Clutter personnel are on the job. For Storage Services, when hourly rates are applicable, instead of having a minimum and maximum rate range, Clutter proposes to set a maximum rate with no minimum. This is more rate regulation than provided for Small Goods Transportation and Storage transactions under Tariff 15-C.
- Electronic Signatures. As a technology-based company, Clutter conducts business almost entirely electronically. The electronic customer interface is a key component of Clutter’s end-to-end technology platform. Customers may use a handheld device, tablet, computer, or telephone to get quotes and place orders. As such, Clutter proposes to revise the tariff so that customers and Clutter personnel may sign or type their name electronically on estimates, bills of lading and other contract documents.

Pricing and Service Offerings: Clutter’s technology-based platform gives it the ability to price service offerings based on supply and demand and other factors. For example, if a customer desires to move items on a Saturday when Clutter has many appointments, the actual cost of service may be more than moving on a Tuesday when Clutter has fewer appointments. Further, customers seeking full-service offerings will be charged more than customers seeking fewer services. This pricing model is beneficial and fair to customers and follows cost causation.

Clutter seeks to amend the tariff to allow it to offer customers the following pricing options, or a combination of the pricing options, for all Clutter services involving household goods:

1. Original Onboarding Traditional House to House Local Moves (No Storage Services).

- a. Hourly Rates for Labor and Truck.
 - i. Minimum and Maximum hourly rates identical to Tariff 15-C, Item 230. See pricing in Proposed Tariff, Item 230 Section 8.
 - ii. Minimum Time for Moves-Item 230. Clutter proposes that the minimum hourly requirement for traditional moves will be one hour as currently provided in Tariff 15-C, Item 230, but proposes to reserve the right to set a higher minimum hourly requirement (e.g. minimum duration 4 hours) in the estimate. Tariff 15-C currently provides the minimum is one hour during the week, and a minimum of four hours on the weekend. Clutter also proposes to bill in hours and minutes.

2. Original Onboarding with Storage Services May Be Offered Including One or More of The Following Pricing Options:

- a. a flat fee for transportation based on the storage plan cubic feet;
 - i. When a transportation fee is determined by the plan cubic feet for Onboardings, this is the max formula for the transportation fee: $(\$1.50 * \text{quoted plan cubic feet}) + \200 .
- b. an hourly fee for labor based on the storage plan cubic feet;
 - i. See pricing in Proposed Tariff, Item 230 Section 7.
- c. a flat rate per item (max rate \$20 per item);
- d. monthly permanent storage fee.

3. Subsequent Onboarding or Return with Storage Services May Be Offered Including One or More of The Following Pricing Options:

- a. a flat fee for transportation;
 - i. Maximum rate for transportation fee is \$200.
- b. an hourly fee for labor based on the storage plan cubic feet;
 - i. See pricing in Proposed Tariff, Item 230 Section 7.
- c. a flat rate per item (max rate \$20 per item);
- d. monthly permanent storage fee.

4. Final Drop Off (Return) May Be Offered Including One or More of The Following Pricing Options:

- a. a flat fee for transportation based on the storage plan cubic feet;
 - i. When a transportation fee is determined by the plan cubic feet for Onboardings, this is the max formula for the transportation fee: $(\$1.50 * \text{current plan cubic feet}) + \200 .
- b. an hourly fee for labor based on the storage plan cubic feet;
 - i. See pricing in Proposed Tariff, Item 230 Section 7.
- c. a flat rate per item (max rate \$20 per item).

All rates shall be disclosed to customer in advance.

Recording Time. For services that involve storage contacts, Clutter is requesting the ability to bill for time on site only.

III. The Rates and Charges Contained in the Proposed Tariff Are Fair, Just, Reasonable and Sufficient.

The rates and charges in the Proposed Tariff are fair, just, reasonable, and sufficient because they allow Clutter to accurately price Storage Services and other Household goods transactions to reflect actual costs. Clutter’s platform uses advanced logistics and pricing algorithms to calculate the fixed and incremental cost of each service offering. The Proposed Tariff allows Clutter to use this technology to offer rates that accurately reflect the actual cost of providing Storage Services to each customer. In addition to more accurate pricing, the Proposed Tariff allows customers to select from a range of lower-cost options that take advantage of Clutter’s logistical efficiencies. For example, customers can save by choosing Drop-off Service rather than Door-to-Door service, and by scheduling pickups and returns at off-peak times. These types of high-value offerings are not currently possible under Tariff 15-C.

Tariff 15-C does not allow Clutter to leverage its end-to-end logistics and supply chain platform to price Storage Services based on the company’s actual cost of service. Tariff 15-C requires that Clutter price services at rates within the prescribed range of acceptable per-hour rates which must be recorded to the nearest increment of fifteen minutes, unless the transaction falls under the Small Goods Transportation and Storage category. The hourly rates prescribed by Tariff 15-C do not reflect the actual cost of services offered by Clutter. For example, Clutter may experience significantly higher demand for Door-to-Door services on weekends than weekdays and the actual cost of Door-to-Door services may be lower on weekdays. The Proposed Tariff allows Clutter to automatically use its technology-based platform to offer flexible rates that accurately reflect the actual cost of service. Additionally, this pricing structure also unlocks the full functionality of its customer platform – customers can schedule pick-ups, drop-offs, and returns using Clutter’s photo inventory, creating more flexible pricing over a range of services.

The Proposed Tariff provides structure and customer protections. Tariff 15-C exempts Small Goods Transportation and Storage from most rate regulation. Carriers offering Small Goods Transportation and Storage are not subject to the pricing restrictions in Sections 2 and 3 of Tariff 15-C. Clutter believes that a high percentage of services provided under the Proposed Tariff would fall into the category of Small Goods Transportation and Storage but categorizing Clutter’s services as Small Goods Transportation and Storage is not workable. The 25 items per week/less than 500 pounds limitation is too difficult for Clutter to track and manage, especially when accounting for returns. Also, the number of items and weight does not always correlate to the actual cost of the service. For example, if a customer sends 20 items to storage in week 1, and 28 items in week two, the pricing will be different under Tariff 15-C without justification.

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If the Commission approves the Proposed Tariff, it will promote competition and innovation for household goods carriers. Clutter's service offerings do not fit neatly in the boxes established in Tariff 15-C, but its end-to-end logistics and supply chain platform allows the company to offer an unparalleled user experience in addition to more flexible rates. Allowing companies to file individual tariffs for services while maintaining reasonable customer protections will spur competition and innovation. Clutter believes that increased competition and innovation will ultimately benefit customers.

Very truly yours,



Chad M. Stokes