BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	DOCKET TV-210535
CLUTTER, INC.,	ORDER 08
Petitioner,	
Seeking Exemptions from Tariff 15-C and Certain Provisions of WAC 480-15; Seeking Amendments to Tariff 15-C	
In the Matter of the Petition of	DOCKET TV-210812
WASHINGTON MOVERS CONFERENCE,	ORDER 06
Petitioner,	GRANTING EXTENSION TO TEMPORARY REVISIONS TO
Seeking Amendments to Tariff 15-C	TARIFF 15-C

BACKGROUND

I On July 2, 2021, Clutter, Inc., (Clutter) filed with the Washington Utilities and Transportation Commission (Commission) a Petition in Docket TV-210535 to Revise Household Goods (HHG) Tariff 15-C (Tariff 15-C) and for Exemption from Certain Provisions of Tariff 15-C and Washington Administrative Code (WAC) 480-15 related to (1) how rates and storage fees are assessed, (2) billing time increments, (3) definitions related to the permanent storage of HHG, and (4) minimum hourly requirements (Clutter's Petition). In its Petition, Clutter requested the Commission open a process to discuss revisions to Tariff 15-C to address modifying the rules from which it sought temporary exemption.

- October 11, 2021, the Washington Movers Conference (WMC) filed a Petition to Revise
 Tariff 15-C in Docket TV-210812, requesting the Commission eliminate the maximum
 tariff rate band and maintain a "reasonable minimum rate band" (WMC Petition).¹
- 3 On October 14, 2021, the Commission issued Order 01 in Docket TV-210535, which granted Clutter several temporary exemptions from Tariff 15-C and Commission rules and directed Commission Staff (Staff) to initiate a holistic review of Tariff 15-C.

¹ WMC Petition to Revise Tariff 15-C, p. 3 (Oct. 11, 2021).

- 4 On February 22, 2022, the Commission issued a Notice of Consolidation and Opportunity to Submit Comments, consolidating Dockets TV-210535 and TV-210812 and requesting comments from interested persons regarding the proposals in both Petitions. The Commission subsequently convened a workshop on May 5, 2022, to discuss proposed revisions to Tariff 15-C with Clutter, WMC, industry representatives, and other interested persons.
- 5 On May 10, 2022, WMC filed an Amended Petition requesting the removal of the maximum rate band contained in Tariff 15-C for a period of six months.
- 6 On May 16, 2022, the Commission issued a supplemental notice, requesting additional information to expand the record and help Staff develop a recommendation regarding the proposed tariff changes.
- 7 On May 26, 2022, the Commission issued Order 03 in these consolidated Dockets, which denied WMC's request to remove the maximum rate band for six months and authorized Rate Increase Supplement No. 2022-1 (Tariff Supplement). In Order 03, the Commission found that neither WMC's October 11, 2021, Petition nor its Amended Petition provided sufficiently detailed information related to company costs, nor did it identify any elements to be studied during the six-month period or provide any framework for evaluating the study period.
- 8 The Tariff Supplement adopted by Order 03 authorized a temporary 12.1 percent increase to all maximum rates and charges contained in Tariff 15-C until Staff completed its review of Tariff 15-C in these consolidated Dockets.
- 9 On March 10, 2023, Clutter filed a motion requesting further extension of the exemptions granted to the company until June 30, 2023, or until Staff completes its review of Tariff 15-C, whichever occurs sooner.² The Commission granted Clutter's motion on March 27, 2023, in Order 06.

² On April 20, 2022, Clutter filed a motion to extend the exemption granted in Order 01, and on April 28, 2022, the Commission entered Order 02, granting Clutter an extension of the exemptions granted in Order 01 until the earlier of: (1) December 31, 2022, (2) the date the Commission ends the investigation into Tariff 15-C, or (3) the effective date of new rules or amendments to Tariff 15-C.

On November 29, 2022, the Company filed a motion requesting further extension of the exemption until March 31, 2023, and on December 22, 2022, the Commission entered Order 04, granting Clutter an extension of the exemptions granted in Order 01 until the earlier of: (1) March 31, 2023, (2) the date the Commission ends the investigation into Tariff 15-C, or (3) the effective date of new rules or amendments to Tariff 15-C.

- 10 On May 12, 2023, the Commission issued a Notice of Opportunity to File Written Comments and Notice of Item to Be Heard at Open Meeting, which provided notice to the public and interested persons that the Commission would address Staff's proposed revisions to Tariff 15-C at its regularly scheduled open meeting on June 29, 2023. Staff's proposed revisions to Tariff 15-C were included in the notice.
- On June 8, 2023, the Commission issued a Notice of Workshop to Discuss Proposed Revisions to Tariff 15-C.
- 12 On June 20, 2023, the Commission convened a second workshop to discuss Staff's proposed revisions to Tariff 15-C. At the workshop, HHG carriers and WMC proposed a 25-30 percent increase to the maximum tariff rate band.
- 13 On June 22, 2023, WMC filed an "Emergency Petition" to request that the Commission amend Tariff 15-C to modify the description of Small Goods Transportation and Storage to limit the definition of "small goods" to seasonal items. The Commission construes the petition as comments on the proposed revisions to Tariff 15-C.³
- 14 On June 29, 2023, the Commission issued Order 06/04 in these combined dockets authorizing a temporary amendment to Rate Increase Supplement No. 2022-1 to increase the maximum rates set by Tariff 15-C by 20 percent to become effective July 1, 2023, and expire on January 1, 2024. Also in that order the Commission directed Staff to open a rulemaking to focus narrowly on the issue of whether the industry is fully competitive and may benefit from an alternative form of economic regulation, such as removing the maximum rate band, to conclude by December 31, 2023.
- 15 On December 28, 2023, the Commission issued Order 07/05 in the combined dockets granting an additional extension of the 20 percent increase to the maximum rate band until June 30, 2024, and extending out the deadline for the rulemaking.
- 16 Staff has now finished its review, and recommends the Commission permanently implement the temporary 20 percent increase to the maximum rate band. Staff also proposes that the Commission adopt a methodology that provides an annual inflationary

³ Staff submits that there is no procedural mechanism available to WMC to file an emergency petition to amend Tariff 15-C. Even under the standard applied in rulemakings, emergency agency action may only be taken if necessary to preserve the public health, safety, or general welfare. See RCW 34.05.350. WMC's basis for its proposals related to the transportation of small goods does not constitute an "emergency" under this standard. The Commission nevertheless addresses WMC's concerns in this Order.

adjustment to increase the maximum rate band based on the previous 12 months' actual inflation based on the Consumer Price Index (CPI) for Seattle, as reported by the U.S. Bureau of Labor Statistics.

17 This matter came before the Commission at the recessed open meeting on June 27, 2024.

DISCUSSION

We approve Staff's request for making permanent the revisions to the Tariff 15-C, as outlined in the Supplement of the temporary, 20 percent increase to the maximum rate band. However, rather than utilizing the backward-looking proposal offered by Staff, we instead find that a forward-looking increase based on trend analysis of the previous 12 months' inflation is more appropriate. We support using the index proposed by Staff but instead direct Staff to each November propose an inflationary adjustment to the maximum rate band utilizing the previous 12 months inflationary data to project an inflationary rate for the next calendar year, to become effective each January 1st. Also, to recognize any variance between the projected and actual inflationary measure, any variance from the prior twelve months should be rolled forward into the following annual tariff adjustment. We find that, with this modification, the proposed changes are reasonable and consistent with the public interest.

FINDINGS AND CONCLUSIONS

- (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, and affiliated interests of public service companies, including household goods carriers.
- 20 (2) Staff recommends that the Commission enter an order making permanent the temporary 20 percent increase to the maximum rate band, effective the date of this order.
- 21 (3) This matter came before the Commission at its Recessed Open Meeting on June 27, 2024.
- (4) After reviewing Staff's recommendation and giving due consideration to all matters and for good cause shown, the Commission finds that rates in Tariff 15-C should be permanently increased by 20 percent, and the tariff supplement terminated; and that Staff shall, each November, propose an inflationary adjustment to the upper rate band of Tariff 15-C, based on a projection utilizing

the previous 12 months' inflationary data as reported in the Seattle CPI and rolling forward any variance between projected and actual inflation, to become effective January 1 of each year.

ORDER

THE COMMISSION ORDERS:

- 23 (1) Effective June 27, 2024, the revisions proposed to Tariff 15-C are adopted for use by all carriers transporting household goods in the state of Washington that are subject to Commission regulation.
- 24 (2) The Commission implements the temporary amendment to Rate Increase
 Supplement No. 2022-1 to increase the maximum rates set by Tariff 15-C by
 20 percent on a permanent basis, and terminates the Supplement.
- (3) Commission Staff is directed to each November, beginning November 2024, propose an inflationary adjustment to the upper rate band of Tariff 15-C, based on a projection utilizing the previous 12 months' inflationary data as reported in the Seattle CPI, to become effective January 1 of each year.
- 26 (4) The Commission retains jurisdiction over the subject matter to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective June 27, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner