BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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CLUTTER, INC.

DOCKET NO. PETITION TO REVISE TARIFF 15-C AND FOR EXEMPTION FROM CERTAIN PROVISIONS OF TARIFF 15-C AND WAC 480-07

Introduction

 Clutter, Inc., ("Clutter") hereby submits this Petition (a) to review and make certain revisions to Tariff 15-C; and (b) for exemption from certain rules in WAC 480-07 and certain provisions of Tariff 15-C pending revision of Tariff 15-C.

2. Clutter is an on-demand storage and moving company built on an end-to-end logistics and supply chain platform. Clutter's primary business in Washington state involves unregulated storage services, where customer goods are transported by Clutter and safely and securely stored in Clutter's centralized warehouse. For those services provided by Clutter that <u>are</u> regulated, Clutter respectfully requests that the Commission consider certain updates and revisions to Tariff 15-C and, in the interim, grant Clutter an exemption from certain rules in WAC 480-015 and certain provisions of Tariff 15-C.

3. Tariff 15-C was largely drafted for traditional household good moves. Clutter respectfully requests that the Commission consider updating the tariff to accommodate a more

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modern industry that includes on demand customer service, more flexible pricing to reflect supply/demand and operational efficiencies, and communication and contracting through computer software applications.¹ Clutter believes that strict application of every provision of WAC 480-015 and Tariff 15-C puts Clutter at a competitive disadvantage to other movers and in many cases requires Clutter to charge customers more than the cost of service for certain moves.

Jurisdiction

Clutter holds a permit issued by the Washington Utilities and Transportation Commission ("Commission") to transport household goods within the state of Washington. The Commission regulates household goods carriers operating in the state of Washington pursuant to Revised Code of Washington (RCW) Chapter 81.80 and Washington Administrative Code (WAC) Chapter 480-15.

The Commission also adopted Tariff No. 15-C containing the rates, rules, and terms and conditions that must be used by household goods carriers. The Commission may grant exemptions from its rules pursuant to WAC 480-15-035.

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¹ While Small Goods Transportation and Storage Services are exempt from the rates in Sections 2 and Sections 3 of Tariff 15-C, 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 Contact Information

6. The following names and addresses for Clutter should be included in the service list for

this Petition:

Aaron Bagherpour 3526 Hayden Ave Culver City, CA 90232 Aaron.bagherpour@clutter.com 360-635-2300

Deven Simonson 3526 Hayden Ave Culver City, CA 90232 deven@clutter.com 916-747-9464

PETITION TO MAKE CERTAIN REVISIONS TO TARIFF 15-C AND FOR

EXEMPTION FROM CERTAIN PROVISIONS OF TARIFF 15-C AND WAC 480-15.

Clutter respectfully requests that the Commission consider revisions to Tariff 15-C and,

in the interim, grant Clutter an exemption from certain provisions of Tariff 15-C, and WAC 480-

15 as described below.

Moves Involving Storage Services

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Clutter is primarily an unregulated centralized storage company that also provides certain moving services under the jurisdiction of the Commission. Clutter currently provides two types of integrated storage and moving services: <u>Door-to-Door services</u> and <u>Drop-off Services</u> ("Storage Services"). For all 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.

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Original Onboarding with Storage Services

- 9. <u>Door-to-Door Services with Storage</u>. 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 storage. Clutter will take pictures of each item to create an online photo inventory for the customer before transporting the items to Clutter's permanent centralized storage warehouse.
- 10. In addition to charging a monthly storage fee (unregulated), Clutter seeks an exemption from Tariff 15 C, Item 230 and WAC 480-15-490 to allow Clutter to price these services using one or more of the following categories of pricing: (1) a flat fee for transportation based on the storage plan cubic feet²; (2) an hourly fee for labor based on the storage plan cubic feet³; (3) a flat rate per item.⁴

11. When hourly rates are charged for onboarding Door to Door Service as described in Paragraph 10(2) above, Clutter also seeks an exemption from Tariff 15-C, Item 230(2) so that it can bill in real time rather than in 15 minute increments and Item 230(7) which requires a minimum charge of four hours on the weekend/holiday. These provisions harm customers because it prohibits accurate timekeeping and prevents Clutter from performing smaller jobs on a weekend/holiday without overcharging customers.

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² When a transportation fee is determined by the plan cubic feet for Onboardings, this is the max formula for the transportation fee: (\$1.50 * quoted plan cubic feet) + \$200.

³ Clutter will not exceed the maximum hourly rates in Tariff 15-C, Item 230, but requests exemption from the <u>minimum</u> hourly rate.

⁴ The maximum per item rate will be \$20 per item.

12. Clutter also seeks an exemption from Tariff 15-C, Item 95(1)(g) so that permanent storage is defined as 30 days or longer, which is Clutter's minimum storage contract. Tariff 15-C defines permanent storage as longer than 90 days and shifts liability from the moving company to the warehouse after that time period. Because Clutter provides both the transportation and storage services, this distinction is unnecessary.

13. Drop-off Services with Storage. With Drop-off Service, the <u>customer</u> 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 centralized warehouse for permanent storage and create an online photo inventory for the customer.

14. Clutter seeks an exemption from Tariff 15-C, Item 230 and WAC 480-15-490 so that Clutter has the ability to charge <u>only</u> a monthly storage fee for this service. Clutter seeks this exemption because the incremental cost of transporting items from the secure drop-off facility to Clutter's permanent storage is negligible and embedded in the monthly (unregulated) storage fee. In fact, Clutter saves money and can pass this saving 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.

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Subsequent Appointment with Storage Services

- 15. Once customer goods are in permanent storage, Clutter customers can browse the online photo inventory and select one or more items to schedule a return. The customer may also add additional items to storage through Clutter's online portal or by contacting Clutter. Clutter's technology based platform allows it to efficiently manage orders from multiple customers in a close geographic area.
- 16. <u>Door-to-Door Services</u>. Clutter's professional movers will carefully deliver items to or pick additional items up from the customer's house or other location. Clutter seeks an exemption from Tariff 15 C, Item 230 and WAC 480-15-490 to allow Clutter to price these subsequent services using one or more of the following: (1) a flat fee for transportation⁵; (2) an hourly fee for labor based on the storage plan cubic feet⁶; (3) a flat rate per item.⁷
- When hourly rates are charged for subsequent Door to Door Services as described in
 Paragraph 16(2) above, Clutter also seeks an exemption from Tariff 15-C, Item 230(2) so that it
 can bill in real time rather than in 15 minute increments and Item 230(7) which requires a
 minimum charge of four hours on the weekend/holiday.
- 18. Drop-off Services. If a customer requests the return of item(s) under Drop-off Service, Clutter will transport the item(s) to a secure local drop-off facility where the customer can pick up the item at their convenience 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.

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⁵ The maximum rate for transportation will be \$200.

⁶ Clutter will not exceed the maximum hourly rates in Tariff 15-C, Item 230, but requests exemption from the <u>minimum</u> hourly rate.

⁷ The maximum per item rate will be \$20 per item.

Clutter seeks an exemption from Tariff 15-C and WAC 480-15-490 so that it can offer these services to customers <u>at no additional charge once per month</u> by taking advantage of the same logistical efficiencies applicable to Original Onboarding Drop-off Services. Additional pick-ups or drop-offs will be subject to same pricing referenced above for the Original Onboarding. Again, Clutter seeks this exemption because the incremental cost of this service is negligible and embedded in the monthly (unregulated) storage fee. This would allow customers an affordable option to access to their items in permanent storage without needing to have every item returned.

Final Drop-off or Return

- 20. 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 delivered to a different location. Clutter seeks an exemption from Tariff 15-C, Item 230 and WAC 480-15-490 so that it may charge one or more of the following: (1) a flat fee for transportation based on the storage plan cubic feet⁸; (2) an hourly fee for labor based on the storage plan cubic feet;⁹ (3) a flat rate per item.¹⁰
- 21. When hourly rates apply for final drop off or return as described in Paragraph 20(2) above, Clutter also seeks an exemption from Tariff 15-C, Item 230(2) so that it can bill in real time rather than in 15 minute increments and Item 230(7) which requires a minimum charge of four hours on the weekend/holiday.

22. Clutter will always disclose the rates and charges to customers in advance of a move.

⁹ Clutter will <u>not</u> exceed the maximum hourly rates in Tariff 15-C, Item 230, but requests exemption from the minimum hourly rate.

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⁸ When a transportation fee is determined by the plan cubic feet for a Final Drop Off, this is the max formula for the transportation fee: (\$1.50 * quoted plan cubic feet) + \$200.

¹⁰ The maximum rate for flat rate per item pricing is \$20 per item.

Traditional Household Goods Moves

- 23. 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.
- 24. For traditional moves, Clutter seeks an exemption from Tariff 15-C, Item 230(2) so that it can bill in real time rather than in 15 minute increments.
- 25. Clutter also requests an exemption to Tariff 15-C so that it can establish a minimum hourly requirement (e.g. minimum 3 hours) in the original estimate. Tariff 15-C, Item 230 (3) requires a 1 hour minimum on weekdays and Item 230 (7)(ii) requires a 4 hour requirement on weekends. There are some jobs where Clutter would operate at a loss if it is unable to set a minimum number of hours to be charged for the job.
- 26. Clutter also requests an exemption from Tariff 15-C, Item 230(7)(ii) which requires a minimum charge of four hours before 8:00 am and after 5:00 pm, and Saturday, Sunday or state-recognized holidays. This provision harms customers because it prohibits Clutter from performing smaller jobs on a weekend/holiday without overcharging the customers.
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Summary of Exemptions

In summary, pending a revision of Tariff 15-C, Clutter respectfully requests that the

Commission grant an exemption from the following provisions of Tariff 15-C and WAC 480-15-

490:

27.

- a. Clutter seeks an exemption from Tariff 15 C Item 230 and WAC 480-15-490 to allow Clutter to price services involving storage using one or more of the following categories of pricing in addition to the unregulated monthly storage fee: (1) a flat fee for transportation¹¹; (2) an hourly fee for labor based on the storage plan cubic feet¹²; and (3) a flat rate per item.¹³
- b. Tariff 15-C, Item 95(1)(g). Clutter requests an exemption from the definition of permanent storage under Tariff 15-C, Item 95(1)(g). If granted, Clutter will use a definition of permanent storage as thirty (30) days or longer, which is Clutter's minimum storage contract.
- c. Tariff 15-C, Item 230(2). When hourly rates are applicable, Clutter request an exemption from the requirement to bill in 15-minute increments. If granted, Clutter will bill in real time, 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.
- d. Tariff 15-C, Item 230(6). When hourly rates are applicable, Clutter request an exemption from the requirement to charge between the minimum and maximum rate. Clutter requests the ability to charge no more than the maximum rate in Item 230 but not have a minimum rate.
- e. Tariff 15-C, Item 230(7). Clutter will comply with the one hour minimum hourly requirement for traditional moves as currently provided in Tariff 15-C, Item 230(3), but request an exemption from Tariff 15-C, Item 230(7) to allow Clutter to reserve the right to set a higher minimum hourly requirement (e.g. minimum duration 4 hours) in the estimate. For some moves, Clutter needs to establish a minimum number of hours in order cover the costs of the move.

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¹¹ When a transportation fee is determined by the plan cubic feet for a Final Drop Off, this is the max formula for the transportation fee: (\$1.50 * quoted plan cubic feet) + \$200.

¹² Clutter will not exceed the maximum hourly rates in Tariff 15-C, Item 230, but requests exemption from the minimum hourly rate.

¹³ The maximum rate for flat rate per item pricing is \$20 per item.

f. Tariff 15-C, Item 230(7). Tariff 15-C, Item 230(3) currently provides the minimum charge is one hour during the week, and Tariff 15-C, Item 230(7)(ii) requires a minimum charge of four hours on the weekend/holiday. Clutter requests an exemption of the minimum charge of four hours before 8:00 am and after 5:00 pm, and Saturday, Sunday or state-recognized holiday. This provision harms customers because it prohibits Clutter from performing smaller jobs on a weekend/holiday without overcharging the customers.

28. The rates and charges that will result from an exemption to certain provisions of Tariff 15-C and WAC 480-15-490 would be 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. Further, customers can select from a range of lower-cost options that take advantage of Clutter's logistical efficiencies.

WHEREFORE, based upon the foregoing, Clutter respectfully requests that the Commission open a process to discuss revisions to Tariff 15-C that are in the public interest, and in the interim, grant this Petition for exemption from certain provisions of Tariff 15-C and WAC 480-15.

Dated: July 2, 2021.

Respectfully submitted,

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