

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of CLUTTER, INC., Petitioner, Seeking extension of Exemptions from Tariff 15-C and certain provisions of WAC 480-15	DOCKET TV-210535 ORDER 03
In the Matter of the Petition of WASHINGTON MOVERS CONFERENCE, Petitioner, Seeking Exemptions from Tariff 15-C and certain provisions of WAC 480-15	DOCKET TV-210812 ORDER 01 GRANTING IN PART AND DENYING IN PART WASHINGTON MOVERS CONFERENCE'S PETITION FOR EXEMPTIONS FROM TARIFF 15-C AND COMMISSION RULES

BACKGROUND

- 1 On October 11, 2021, the Washington Movers Conference (WMC) filed with the Washington Utilities and Transportation Commission (Commission) a Petition to revise Tariff 15-C in Docket TV-210812, requesting removal of the maximum tariff rate in the rate band (Petition).
- 2 On February 22, 2022, the Commission issued a Notice of Consolidation and Opportunity to Submit Comments, consolidating Docket TV-210535 and Docket TV-210812 and requesting comments from stakeholders regarding the proposals brought by both Clutter, Inc., (Clutter) and WMC in each respective docket.
- 3 After written comments were received, the Commission held a workshop on May 5, 2022, with Clutter, WMC, industry representatives, and interested stakeholders. During the workshop Commission staff (Staff) determined that more detailed commercial information was necessary to evaluate the proposed changes to Tariff 15-C.

- 4 On May 16, 2022, Staff issued a supplemental notice, requesting additional information to expand the record and help Staff develop a recommendation regarding the proposed tariff changes.
- 5 On May 10, 2022, the WMC filed a Petition requesting a waiver from the maximum rates listed in Tariff 15-C for a period of six months (Amended Petition).¹ The May 10, 2022, Petition contains arguments that are similar or identical to those presented in WMC's October 11, 2021, Petition, but provides no additional supporting data or commercial information.
- 6 Given the lack of additional detailed information regarding household goods company costs, Staff does not believe that WMC has demonstrated that a six-month total exemption from maximum rates would be consistent with the public interest or the purposes underlying regulation.² Although WMC's Amended Petition requests a "6-month study of operating without a maximum rate band," it does not identify the parameters or design of the study nor provide details regarding what data would be tracked and reported, or how such data would be evaluated in order to determine whether the maximum rate band should be permanently lifted or remain in effect. As such, even if WMC's study was implemented, it is unclear how the study would help the Commission evaluate whether to permanently remove the maximum rate under Tariff 15-C. Furthermore, Staff is currently reviewing the October 11, 2021, Petition as part of this consolidated docket and requested additional information from the industry on May 16, 2022. Staff believes it would be preferable to review current industry information before attempting to gather new information pursuant to a pilot study, as a review of existing information may be sufficient to develop a recommendation or otherwise highlight information necessary to develop a recommendation. Therefore, Staff recommends that the Commission deny the specific relief requested by WMC's Amended Petition.
- 7 This matter came before the Commission at its regularly scheduled open meeting on May 26, 2022. At the open meeting, Staff again noted that it was opposed to granting a six-month exemption from the maximum rates in Tariff 15-C. Staff acknowledged, however, that it is aware of the steep rise of inflation and rising gas prices, and how those affect the household goods industry. Staff acknowledges that an increase in rates to account for inflation would be justified. Staff noted that the Commission could approve a supplement to Tariff 15-C reflecting a 12.1 percent increase in all tariff charges. This percentage

¹ The Commission construes the May 10, 2022, petition as an amendment of the original petition filed on October 11, 2021, in the same docket.

² WAC 480-07-110.

increase is based on the change in the Consumer Price Index (CPI) since the last approved revision to Tariff 15-C. Staff recommended that the Commission apply the 12.1 percent increase as an across-the-board supplement to all maximum rates and charges in Tariff 15-C. This would allow companies to recover costs in various areas, such as increased packaging and fuel costs, and it would be more administratively efficient than adjusting separate tariff charges.

8 Public Counsel also provided comments at the May 26, 2022, open meeting. Regulatory Analyst Stephanie Chase noted that Public Counsel opposed granting an exemption from maximum rates. Chase noted, however, that Public Counsel would accept Staff's proposed 12.1 percent increase to all maximum rates and charges in Tariff 15-C.

9 WMC also provided comments. WMC Executive Director, Jim Tutton, noted that household goods carriers are subject to competition, and argued again in favor of a six-month exemption from the maximum rates in Tariff 15-C. Tutton noted that it is burdensome and time consuming for moving companies to provide cost data requested by Staff, but that they were already providing Staff current cost data in response to its requests. While he continues to advocate for the removal of the maximum rates and charges, he expressed support for Staff's proposed 12.1 percent increase.

DISCUSSION

10 We are sympathetic to WMC's concerns about increasing costs. We also agree with Staff that the limited data provided by WMC is not sufficient to support the relief requested in the Amended Petition. We therefore deny the Amended Petition's request for a six-month exemption from the maximum rates contained in Tariff 15-C. However, we do approve a supplement to Tariff 15-C that increases all maximum rates and charges by 12.1 percent to help the industry weather the effects of inflation and rising gas prices in the current volatile economic climate. The supplement will be effective only until the Commission concludes its investigation into possible revisions to Tariff 15-C in these consolidated dockets.

11 Pursuant to WAC 480-15-035, the Commission may grant an exemption to any rule pertaining to household goods carriers "when doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes." The Commission may also deny or modify the request or set it for hearing.³

³ WAC 480-15-035(4).

- 12 WMC has not established that a total exemption from the maximum rate band is consistent with the public interest, the purposes underlying regulation, and applicable statutes. The Commission regulates household goods carriers not only to ensure public safety, but to ensure fair competitive practices, just and reasonable charges, and to protect consumers.⁴ Much as Staff observes, neither WMC's October 11, 2021, Petition nor the Amended Petition provide detailed information as to company costs, identify any elements to be studied during the six-month period, or provide any framework for evaluation of the study period. This does not support entirely removing the upper limit of the rate band for a six-month period.
- 13 However, the economic hardships currently faced by the industry are observable based on the comments from stakeholders, and we determine that some measure of relief is warranted. We therefore agree with Staff's proposal to approve a tariff supplement, which allows for a 12.1 percent increase to all maximum rates and charges in Tariff 15-C.

FINDINGS AND CONCLUSIONS

- 14 (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.
- 15 (2) WMC is an association representing companies that are engaged in the business of providing household goods services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 16 (3) WMC's members are subject to WAC 480-15-490(3), which requires household goods companies to follow the terms, conditions, rates, and other requirements of the published tariff.
- 17 (4) Under WAC 480-15-035, the Commission may grant an exemption from the provisions of any rule in WAC 480-15, if consistent with the public interest, the purposes underlying regulation, and applicable statutes. See also WAC 480-07-110.
- 18 (5) This matter came before the Commission at its regularly scheduled meeting on May 26, 2022.

⁴ WAC 480-15-010(1).

- 19 (6) After reviewing the Amended Petition filed in Docket TV-210812 by WMC on May 16, 2022, and giving due consideration, the Commission finds that granting the requested relief is not consistent with the public interest, the purposes underlying regulation, and applicable statutes, and it should be denied, in part.
- 20 (7) Because of the emergent observable economic conditions putting pressure on the household good industry, the Commission finds that a tariff supplement authorizing a 12.1 percent increase in all rates is warranted, to be effective until the Commission concludes its investigation into possible revisions to Tariff 15-C in these consolidated dockets.

ORDER

THE COMMISSION ORDERS:

- 21 (1) Washington Movers Conference's Amended Petition is Denied, in part, and Granted, in part.
- 22 (2) The Commission authorizes a temporary 12.1 percent increase in maximum rates and charges as reflected in Supplement 2022-1 to Tariff 15-C, attached hereto as Exhibit A, to become effective immediately and to expire upon final resolution in these consolidated dockets. The Commission will continue its review of Tariff 15-C as previously set forth in these dockets.
- 23 (2) The Commission retains jurisdiction over the subject matter and Washington Movers Conference, to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective May 27, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner