

Utilities



The utilities industry includes firms that provide power, natural gas, and water/sewage removal. When the Department of Workforce Services publish employment-related information at the “supersector” level (trade/transportation/utilities), the utilities industry receives a rather short shrift. After all, utilities—with fewer than 4,100 jobs statewide—accounts for less than 2 percent of total trade/transportation/utilities employment in Utah. In addition, another 2,200 utilities jobs also lie hidden in local government employment. These employees work for government-owned water, sewer and electric power entities.

Economists generally consider utilities “natural monopolies” or monopolies that have developed because a single firm can supply the good/service to the whole market at a lower cost than two or more firms. (Just think how expensive it would be to have three natural gas providers, each with their own transmission systems running to every city.) In the U.S., the government often regulates private utility firms or owns utilities outright in order to ensure they don’t make “excessive” profits. However, the nature of the regulation process means that regulated firms may have little incentive to keep costs (including wages) down. This situation highlights why private-sector utilities show the highest average wage of any major industry in Utah—over \$7,000 a month.

For more information about utilities in Utah, check out the Utah Division of Public Utilities web site: <http://publicutilities.utah.gov/about.html>

or the State of Utah Public Service Commission’s web site: <http://www.psc.state.ut.us/index.html>

Utah Utilities Industry Quick Facts • 2010

Private Sector	
Employment	4,065
Share of Total Private Employment	0.4%
2009-2010 Employment Change	-1.7%
Average Monthly Wage	\$7,035
Percent of Utah Total Average Wage	217.4%
Number of Private Firms	192
Share of Firms with more than 100 employees	5.0%
Public Sector	
Employment	2,192
Share of Total Public Employment	1.0%

Source: Utah Department of Workforce Services.