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## **Smaller Utilities Most Exposed to California Wildfire Risk: S&P**

- **New report identifies which areas at heightened risk**
- **Isolated towns will struggle after fires when people resettle**

After major natural disasters in the state, utilities are typically required to front the costs of repairs and are only reimbursed by the Federal Emergency Management Agency and state government afterward. Utilities in towns that are small or poor, on the edge of flammable wilderness, or far from a major city will have particular trouble in paying for those costs upfront or reestablishing service quickly so they can resume collecting revenue, according to the report by credit analyst Tim Tung.

California has been rocked by deadly and destructive fires that burned across the state in recent weeks. The most severe, the Camp Fire, destroyed thousands of homes and other structures, killed 79 people with about 700 still missing, and burned over 151,000 acres in the northern part of the state.

California's fire season is set to get longer and more severe, the report states, if recent research on California's climate holds true. The report warned that "in the future, the state will experience shorter, more concentrated rain seasons" as well as "longer dry periods during which fires may threaten."

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### **Bloomberg Markets**

By William Green

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