

Utilities to Send Internet Service Over Power Lines



Tue Mar 2, 4:32 AM ET

A big Midwestern utility is joining with a start-up to offer high-speed Internet access over power lines, Tuesday's Wall Street Journal reported.

The service promises lower prices and more convenience: Consumers can tap into the Internet anywhere they have an electrical outlet in their house.

The new service, to be announced today, comes from Cinergy Corp. (NYSE:[CIN](#) - [News](#)), a Cincinnati-based utility, and Current Communications, a private company controlled by the Berkman family, which made millions on wireless ventures and counts John Malone's Liberty Media Corp. (NYSE:[L](#) - [News](#)) as an investor. All told, the three are putting \$70 million into the venture.

The idea of using power lines to send Internet signals to homes has been around for years. It is based on the fact that electricity travels at a far lower frequency than the Internet signal, so the two generally don't interfere. But earlier efforts were disappointments, mostly due to the cost of the equipment needed and technical issues.

Two years ago, a pivotal breakthrough occurred when the industry improved the speed and lowered the price of the modem that plugs into wall sockets to bring the Internet into the home, thanks to advances in semiconductor chips. The new modem is based on an industry standard called HomePlug, and costs about \$30 wholesale. Cinergy will be handing out the modems to customers free of charge.

Top officials at the Federal Communications Commission ([news](#) - [web sites](#)) support such power-line services because they could expand the availability of high-speed, or broadband, Internet access and give consumers more choice of providers, perhaps lowering prices. Last month the agency issued proposed rules for broadband over power lines.

Wall Street Journal Staff Reporter Ken Brown contributed to this report.