



Google this: Current lands \$100 million investment

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Goldman Sachs, Hearst & Google pony-up for BPL
Berkman family brings big-name connections

Current Communications Group (BPL Today, 6/13, 2/14, 11/22, 9/20) -- calling itself the nation's leading integrated BPL service provider -- announced the good news last week.

The firm plans to use the money to expand its BPL business in the US and abroad having seen "tremendous interest" from utilities in Europe and South America and from municipals and co-ops in the US, Current's Vice President of Corporate Development Kevin Kushman told us Thursday.

The days of utilities "kicking the tires" and doing BPL technology trials are fast evolving into serious interest at many utilities, said Kushman, and Current is in serious talks with 20 or more big ones.

He predicted announcements from at least two by year's end.

The investment helps bolster the firm's commitment to serving utilities that just want to lease their lines for BPL and let Current pay for the equipment, Kushman reported.

Current's biggest partner to date, Cinergy (BPL Today, 6/13, 5/16, 9/20) picked the developer model, taking much of the financial risk and reaping potential financial rewards, but many utilities fear repercussions from investors and regulators if they lose money and again from regulators if they profit from BPL.

"We don't want to require utilities to put money into the venture," said Kushman, but firm's looking to follow Cinergy's lead are welcome.

Current wouldn't reveal the amounts each firm is investing but Kushman confirmed the Wall Street Journal's estimate of the total.

The money isn't from a formal funding round, said Kushman -- the separate investments were simply announced together and included new commitments from existing Current investors, EnerTech Capital and its principal stakeholder, venture capital (VC) firm Liberty Associated Partners -- an investment partnership between cable content firm Liberty Media and the Berkman Family.

Liberty Media owns QVC, Encore, STARZ!, Discovery and other cable content brands in the US plus it controls a large European cable firm called United Globalcom.

The Berkman Family made money in the steel business in Pittsburgh in the 60s and used it to start cable TV firms in the 70s, cellular telecom firms in the 80s and a fixed wireless firm called Teligent in the 90s.

The family's holdings were under the name Associated Group, a publicly traded company. Liberty Media bought Associated Group in 2000 for \$3 billion, said Kushman, and teamed with the family to create VC firm Liberty Associated Partners to invest the proceeds.

That firm started hunting to buy or start a firm with the next last-mile solution, Kushman explained -- and discovered BPL.

But the technology was "not ready for prime time," he added, thus Current was created and its first job was to spend a few years doing R&D.

That led to Pepco's market trial in an affluent DC suburb called Potomac, MD in 2002 and a larger trial with Cinergy in 2003.

Current Communications Group is the parent of BPL hardware vendor Current Technologies and Current Communications, the BPL integrator that teamed with Cinergy to create America's biggest commercial BPL deployment in the utility's Cincinnati footprint and beyond.

"We were ... motivated to go pursue best-in-class investors from the financial community, from media and telecommunications and the content side as well as obviously a very new-mover that's interested in seeing broadband deployed everywhere," Kushman explained, referring to Google. Goldman, Sachs & Co is a leading global investment banking, securities and investment management firm; Google developed the award-winning Google search engine and had one of the most exciting initial public offerings in recent history based on expectations for a wide variety of web-based software solutions, and the Hearst Corporation is one of the nation's largest communications firms.

The latter is the same Hearst of publishing fame and was founded 118 years ago when William Randolph Hearst first put his name as proprietor on the pages of the San Francisco Chronicle, the firm's website explained (www.hearstcorp.com).

The investments give Current capital and operating help "as we continue to roll out broadband over power line services to provide voice, video and data," said William Berkman, chairman of Current Communications Group.

"With roughly two-thirds of the nation still without broadband and many utilities looking for means to upgrade their distribution networks," boosting Current's growth is a "win-win for consumers," Berkman added.

His preexisting relationships plus lots of work on Current's part combined "to bring players into this industry that we thought would give it a lot of buoyancy," said Kushman.

He doubts a more well-rounded group than its three new financiers could be found -- "in what they could do individually but also in tandem -- for the industry."

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