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ENERGY TECHNOLOGY

Energy technology company gets money to grow**Austin firm SensorTran's technology detects power problems and alerts customers.**By **Claudia Grisales**

AMERICAN-STATESMAN STAFF

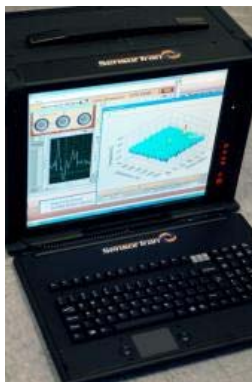
Thursday, August 10, 2006

When major trouble hits the oil industry or electric power systems fail, Kent Kalar sees the potential for new business.

Kalar is president and chief executive of Austin-based SensorTran Inc., which uses fiber-optic technology to head off energy system breakdowns, including oil pipeline leaks and electric power blackouts — both of which have been in the news lately.

Amber Novak
FOR AMERICAN-STATESMAN[\(enlarge photo\)](#)

Austin's SensorTran Inc. has landed \$5.5 million in venture capital funding. "We've got a very mature technology that we can apply to newly recognized problems," CEO Kent Kalar says.

Amber Novak
FOR AMERICAN-STATESMAN[\(enlarge photo\)](#)

SensorTran Inc.'s portable DTS 5100 is a fiber-optic temperature sensor.

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The company says its patented system turns the fiber-optic lines into continuous sensors that can detect temperature changes along pipelines or transmission lines, alerting users that water or other substances are entering a pipeline or that power lines are overheating.

"We've got a very mature technology that we can apply to newly recognized problems," Kalar said.

The Austin company has landed \$5.5 million in venture capital funding. It will use the money to expand its work force from 8 to 50 workers over the next year and to increase sales.

SensorTran started as part of another company, Austin-based Systems and Processes Engineering Corp., which got a contract from NASA in 1996 to develop a compact and lightweight instrument to monitor tanks on future space shuttles.

SensorTran began selling its technology product commercially in 1998 and expects to reach \$2 million in sales this year from customers including Houston-based Baker Hughes Inc. and General Electric Co.

Kalar said revenue should be several times that next year.

With the new investment money, SensorTran will spin off from its parent as an independent company.

The investors are a group led by Expansion Capital Partners LLC, which focuses on clean-technology companies, with WHEB Ventures of London and Stonehenge Capital of Dallas.

SensorTran isn't alone in applying sensing technology to energy systems. One big competitor is Schlumberger Ltd., the oil-field services giant. Other companies are using acoustic sensors to detect sound wave changes that can signal impending trouble.

"There are a lot of good advances that have been made with" this type of technology, said Sanjay Srinivasan, a professor of petroleum and geosystems engineering at the University of Texas.

"Marrying some new technology with good, old practices of pipeline engineering may be the way to do it."

"I wouldn't say there is one solution to all the problems," he added. "Each situation will require different sensors to be used."

Kalar is a veteran tech executive whose résumé includes a stint at 3M Co. He led business development at Systems and Processes Engineering, then became president and chief executive of a spinoff, Extreme Devices Inc. He raised \$35 million in backing for the specialty chip maker but left when the company changed its direction and name.

He says he's confident this new company's technology will take hold.

"The increasing emphasis on energy," Kalar said, "is pushing these customers to rethink their adoption of this new technology."

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