

Need for Utilities Management Solution Exceeds \$60 Per Barrel

Effective monitoring and control of total energy costs to become increasingly important

Energy costs are climbing with no end in sight. Goldman Sachs recently warned oil was entering a "super spike" period that could drive prices as high as \$105 per barrel in the not-too-distant future. This increase in oil costs will lead to parallel increases in all energy commodities, including coal and natural gas, as they exploit their increasing relative value. Rising energy costs will affect every aspect of the process industry as the unit cost of all utilities from electricity to steam increases. Now more than ever, an effective utility monitoring and management program is a necessary component of a competitive process.

NovaTech's Utilities Management Solution (UMS) has been developed to meet this growing need. UMS integrates components of the process control system, the electrical utility, Enterprise Resource Management systems, and real-time and contracted pricing data of various fuel alternatives (including gas, coal, or renewable sources) to provide plant managers with intuitive "dashboards" that display the relative efficiency of every energetic component of their processes.



UMS present energy cost summaries in intuitive, drill-down dashboards.

Dashboards are an invaluable interface to manage the complexities of utility management. Target costs per unit of production, for instance, can be compared with actual real-time costs calculated from any of a dozen or more sources. When non-ideal behavior is observed (i.e. when preset target costs are exceeded), users can drill down to views of various plants, systems within those plants, and components of those individual systems to locate the source of the problem. These could include anything from a peak overage charge from the electrical utility to a jammed valve.

NovaTech recently signed a marketing agreement with Johnson Controls Inc. (see related article) to provide greater energy savings for industrial customers, and UMS is a key component of the offering.

With a wealth of experience in both process control and utility communications, NovaTech understands the complexities and realities of tying together these disparate systems into a usable solution. Given that energy costs exhibit little tendency to decrease after they've gone up, it's a solution many of our customers will need in the near future.



Substation Security Appliance

State-of-the-Art Encryption Device
Designed for Harsh Environments



The great northeastern blackout of 2003 had many effects on the electrical utility industry. The cascading fault highlighted what faults at key locations could do to the country as a whole. Thus, the prevention of cyber-attacks on electric utility infrastructure became a priority.

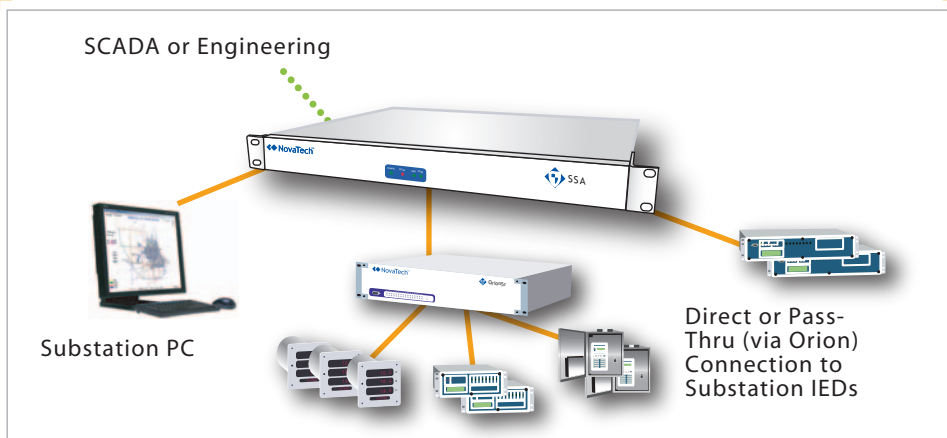
Although there have been few press-worthy cyber-attacks, the North American Electric Reliability Council (NERC) has released a standard requirements document (NERC 1300 or CIP-002-009) aimed at making sure none ever do occur.

In response to this growing demand for secure communications in the harsh environment of the electric

utility substation, NovaTech is proud to introduce the Substation Security Appliance (SSA).

The SSA combines the latest in 128/256-bit encryption technologies with a substation-hardened design including a wide-ranging power supply. The SSA is easier to configure than comparable encryption gateways because it has been tailored for utility SCADA applications.

The SSA will be available for inspection at the upcoming NovaTech User Conference and featured at the IEEE PES show this October in New Orleans. A data sheet is also available on the NovaTech website (www.novatechweb.com).



The SSA provides secure access to substation PCs and Intelligent Electronic Devices (IEDs)



MTL to Manufacture NovaTech 8000 Series I/O

NovaTech has teamed up with MTL Open System Technologies (MOST) to manufacture an exclusive I/O line for use with the D/3® and other NovaTech products. MTL is a world leader in providing I/O for the process industry. Their engineering culture and focus on high-performance, reliable and intrinsically safe products fits well with the traditional strengths of NovaTech.

The new NovaTech 8000 Series I/O, with its wide -40 to +70°C operating temperature range, can be mounted in the field and connect to the D/3® and Orion over Ethernet using Modbus TCP. Other protocols including DNP3.0 will be added in the future. The 8000 Series I/O family also includes HART® compatible I/O modules which improve plant performance by providing on-line instrumentation asset management and diagnostics.



Virtual Ethanol Plant Attracts Interest from Big Corn

Kansas City, MO - Big Oil has competition. Subsidies in President Bush's Energy Policy Act of 2005 will give a boost to the nascent ethanol industry, and new offerings from NovaTech have been created to aid this growing market sector. The Virtual Ethanol Plant (VEP) is a pre-configured D/3® Process Automation System customized for any size ethanol plant. The system features more than 50 customizable graphics and is adaptable to a variety of feedstocks.

The VEP is also seeing use as a training simulator in academic environments. A complete D/3®

system in operation at Minnesota West Community and Technical College allows students to connect remotely to online dynamic plant simulations controlled by instructors. The Utilities Management Solution (UMS) also received positive feedback at the Fuel Ethanol Expo, particularly the intuitive presentation of net energy costs in UMS dashboards.

As the Ethanol industry continues to develop, NovaTech will strive to develop new solutions to aid this and other alternative fuel technologies.



Expo Representative Corn Cob Bob and NovaTech employees Kevin Johnson, Steve Scott, Caroline Fricks and Vince Horvath at the Fuel Ethanol Expo & Workshop

Alliance Agreement with Johnson Controls Inc (JCI)

NovaTech has teamed up with JCI to offer enhanced energy and facility management for the industrial and process industries. With the high cost of energy, managers are increasingly aware of the opportunity for utility-related cost savings. Decisions on when and how to start, stop, and manage operations have a large impact on the cost of electricity, gas, steam and other utilities. Combining expanded measurements from the NovaTech D/3 process control system with other cost metrics will help customers make better choices that decrease immediate costs of operations. Strategically, an assessment of energy usage and facility management functions helps justify implementation of process and facility improvements that produce continuing, long-term savings.

JCI is a Fortune 500 company and global leader in solutions for

Construction Management, Life-cycle Engineering, Energy Services, Financial Solutions, and Performance-based contracting. Their customers include Ameritech, GlaxoSmithKline, JCPenney and Novartis as well as 7,000 U.S. school districts, more than 2,000 hospitals and tens of thousands of other non-residential and government facilities.

Together, with NovaTech's proven D/3® and Orion Automation Platform, the two companies will enable customers to upgrade their infrastructures, enhance their operations-based energy management strategies, and achieve real cost savings in a fashion that reduces risk and offers creative capital investment. Truly, these are "win-win" opportunities for the NovaTech-JCI team and for customers.

Dwight Wood and Billy Greene Promoted to Vice President

In recognition of their effective leadership and for growing sales in new market segments, NovaTech Chairman Volker Oakey recently promoted Southeastern Sales Manager Billy Greene and Western Sales Manager Dwight Wood to the title of Vice President. "Billy and Dwight have both shown excellent drive and work ethic in developing business in new markets. They motivate their teams to think outside their established areas while handling their existing customers' needs with professionalism."

USER CONFERENCE

Sunday

Daytime Activity 11:30 am – 5:00 pm Sailing in Baltimore (lunch provided). Buses will be waiting outside the Plaza's main lobby starting at 11:00 a.m. and leave promptly at 11:30 am.

Monday

	Plaza B	Plaza A	Plaza C (Monday only)	Demo Room (Hopkins Room)
Registration 7:30 am - 8:30 am	Registration will be located in the Second Floor Atrium - you may access this atrium via the main lobby staircase or elevators.			Closed
Opening Session 8:30 am – 9:30 am	Opening Session			Closed
Session 1 9:45 am – 11:15 am	Process Automation System Product Updates			Closed
Lunch 11:30 am – 12:30 pm	Luncheon (Plaza B; Conference attendees only)			Closed
Open Mic 12:00 noon - 12:30 pm	NovaTech Partnerships, a business presentation with Johnson Controls and MTL			Closed
Session 2 12:45 pm - 2:00 pm	Online Upgrades			Open
Session 3 2:15 pm - 3:30 pm	User Applications			Open
Session 4 3:45 pm – 5:00 pm	Utilities Management Solution		Paperless Procedures	
5:00 pm - 5:30 pm	Steering Committee Meeting - TBA			Open
Evening Activity 6:00 pm – 10:00 pm	Open House – Owings Mill Office Buses will be waiting outside the Plaza's main lobby starting at 5:30 pm and leave promptly at 6:00 pm.			Closed

Tuesday

Session 5 8:00 am – 9:30 am	D/3 and Orion	System Life Planning		Open
Session 6 9:45 am – 11:00 am	Ethernet I/O			Open
Session 7 11:15 am – 12:15 pm	D/3 Preferred Historians and Business System Integration	Focus Group		Open
Lunch 12:15 pm – 1:30 pm	Luncheon (Plaza C; Conference attendees only)			Open
Open Mic 12:45 noon - 1:15 pm	Training Non-process Control Personnel and NovaTech Training Options Update			Open
Session 8 1:30 pm – 3:00 pm	User Tips and Tricks	FlexBatch®		Open
Steering Committee Meeting – Back of Bus after Session 8				
Tour 3:30 pm – 6:15 pm	ISG – Sparrows Point, Buses will be waiting outside the main lobby starting at 2:45 pm and leave promptly at 3:30 pm.			
Evening Activity 7:00 pm – 11:00 pm	Mardi Gras Evening – Tremont Grand in the Edinburgh Hall (5th Floor)			

Wednesday

Session 9 8:30 am – 10:00 am	New Ways to Connect to D/3®			Open
Session 10 10:15 am – 11:45am	Windows 2003	Alarm Management		Open
Business Meeting 12:00 noon – 12:30 pm	Business Meeting and Closing Comments (Plaza C ; Conference attendees only)			Closed
Lunch 12:30 am – 1:30 pm	Luncheon (Plaza C; Conference attendees only)			Closed
1:30 pm - 2:00pm	Steering Committee Meeting – Smith Room			Closed

Wednesday- Friday

September 21 - 23, 2005
Owings Mills, Maryland - NovaTech Training Center
Prior paid registration required to attend workshops and courses (see registration packet or website for details).

On-Line Upgrade: Charles McKinney Students will run the OU package to upgrade a small D/3® system without shutting down their plant. Familiarity with basic D/3® system software configuration required.	1/2 Day Workshop, Wednesday 9/21, 2:00 – 6:00 pm (Cost: \$300 or 1 FACET Training Credit)
Active Directory: Milt Beebe Presentation and hands on labs evaluating the features and operation of an active directory in conjunction with the D/3®. Students attending the SABL portion of the class should be familiar with SABL.	Thursday 9/22, 8:30 am – 5:00 pm (Cost: \$450 or 1 FACET Training Credit)
Ethernet I/O: Jerry Hughes Connecting Ethernet I/O to a PCM. Students will create an Ethernet I/O database and load it to the PCM. Familiarity with using D/3® Architect to build databases and D/3® Manager to load a PCM required.	Thursday 9/22, 8:30 am – 5:00 pm (Cost: \$450 or 1 FACET Training Credit)
Orion Interface to D/3: Jerry Hughes Design, structure and maintain all alarm databases on the D/3® including the ADI table, continuous control, alarm suppression and dynamic alarm management database. Students should be fluent with the D/3 system or have completed D/3 User or D/3 Continuous Control training courses.	Thurs. 9/23 8:30 am – Friday 9/24 5:00 pm (\$955 or 3 FACETS Training Credits)

Dear Valued NovaTech Customer,

Summer is nearly gone and that means the 2005 User Conference is just around the corner. Conference highlights will include a day of sailing on the Chesapeake Bay (dubbed the "NovaTech Regatta"), a tour of International Steel Group's Sparrows Point continuous casting facility, a cookout at our new Owings Mills facility, and a Mardi Gras party on the final evening of the conference.

We will be introducing new products, including the Substation Security Appliance, the D/3® Version 12.2, and our new I/O module. We're also very excited to host our new business partners Johnson Controls Inc. and MTL, both of whom will make presentations about our ventures during Monday's lunch session.

These latter presentations will be the last of the Monday morning overview sessions tailored for an audience less familiar with the D/3®. These sessions will provide an excellent picture of our company, markets, and short and long-term strategies. Any customers and managers outside of process control will find these a useful introduction to our company as a whole, and we invite them to join us for sailing on Sunday as well.

All of this is in addition to our traditional schedule of informative and entertaining application and product sessions. Please visit our website to register for the conference at your earliest convenience.

In other news, we are pleased to announce the recent promotion of Billy Greene and Dwight Wood to the title of Vice President of Sales. The sales teams of both these gentlemen are likewise to be commended for their rapid adoption and development of the electric utility markets in their regions while sacrificing none of the responsiveness and professionalism that their process customers have come to rely on.

In new product news, well, we've been busy. In response to growing concerns over cyber-security, we have introduced the Substation Security Appliance. This rugged, state-of-the-art device satisfies and simplifies compliance to the NERC 1300 standard. The device is equally at home in a process environment, and we will be exploring its applicability to industrial applications.

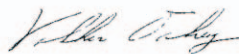
We also have a new I/O series coming soon with partner MTL. This I/O will replace the 16000 series I/O and can be used for new installations as well. The D/3® version 12.2, featuring online upgrades, will also debut at the User Conference.

Please take a moment to register for the conference on our website, and we look forward to seeing you there.

Sincerely,



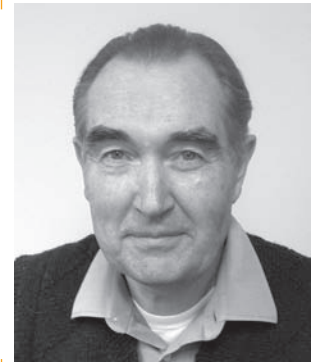
Buz Zey, President



Volker Oakey, Chairman



Buz Zey, President



Volker Oakey, Chairman

D E M O S T R A T I O N S

OPC Connect®:
DCM CDB, D/3 OPC Server

I/O Connectivity:
Ethernet Modbus/TCP, Ethernet DF1,
Ethernet/IP, Momentum I/O without a PLC,
Orion connected to D/3

Paperless Procedures™:
Paperless Procedures, Automatic SABL®
Code Generation

Product Documentation:
Documentation CDs
Educational Services:
Training Offerings, Web Based training

D/3 Online Upgrades:
Version 10.2 - 12.2 upgrade

D/3 and FlexBatch Demo:
D/3 and FlexBatch, Projected w/ Brew,
Ethanol, & UMS Demo

Power Utilities:
NovaTech Communications Director

New Hardware:
I/O Enhancements, New Power Supplies,
Any new H/W designs, 8000 service I/O

Customer Central:
Clientel, NovaTech Web Site

SimSuite Pro™:
SimSuite

Introducing smaller Bills.

Hello my name is

Bill



Utilities Management Solution

SAVE THE DATE

User Conference Schedule of Events:

Sunday, September 18: NovaTech Regatta

Monday, September 19: BBQ at Owings Mills

Tuesday, September 20: Mardi Gras Party

September 19-21: Sessions at the Tremont

Suites Hotel, Baltimore, MD

Online Registration: www.novatechweb.com

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