

NETA POLICY AND PROCEDURE STATEMENT

NUMBER NPM013.97.6

TITLE *Criteria and Requirements for Membership*

PURPOSE To standardize the criteria and definitions for evaluation of NETA Accredited Company applicants and NETA Accredited Companies.

REFERENCES

- *NPM002 NETA Accredited Representative.*
- *NPM006.94.2 Ownership of Multiple NETA Accredited Testing Companies*
- *Article III Membership Classifications, NETA Bylaws*

POLICY

Independence and third-party testing is the basis for membership criteria. NETA is primarily concerned with potential influence in the operating structure of an organization rather than with ownership. The definitions in this policy clarify the intent of NETA *Bylaws*, Article III, Membership Classifications, Section 1 NETA Accredited Company (NETA Full Member):

For the purposes of this policy, the term “related company” shall be where two or more companies share some commonality through holding companies, parent companies, subsidiaries, affiliated companies, or other forms of common or shared ownership.

The company shall meet all of the following criteria:

- The company is a legal entity with its own financial statements and its own separate Taxpayer ID number.
- The company shall be engaged in electrical testing for a minimum of two years
- The company performs the day-to-day operational management functions of a stand-alone business, having its own employees and sharing no operational management with any related company.
- A related company shall not exert influences that could create a conflict of interest for independent/unbiased testing.
- The company derives no more than five percent of its gross annual revenue directly or through influence of a related company.
- The company must provide unbiased testing services. This is accomplished by limiting testing services for acceptance, commissioning, and start-up on systems or equipment designed, manufactured, or installed by a related company. This limitation shall not exceed five percent of gross revenues.
- The company must market itself separately from any related company. At a minimum, this is accomplished by preventing the company from sharing advertising and promotional materials with a related company. This includes but is not limited to websites, brochures, stationary, business cards, test sheets and reports, billboards, vehicles, and/or any other method of disseminating information about the company to the public.

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Branch Office

A branch office is a location which meets one or more of the following criteria:

- Has two or more testing personnel assigned who perform testing, analysis, or maintenance on electrical power distribution equipment or systems, or
- Has two or more sales and/or administrative personnel assigned to that location, or
- Is listed as a company location on advertising materials such as websites, brochures, stationary, business cards, and/or other advertising media.

Affiliated Company

A company that owns less than the majority of the voting stock of another company or when both are subsidiaries of a third company.

Merger/Acquisition

The combination of two or more companies into one.

Parent or Holding Company

A company that owns the stock of other companies. The primary purpose of the holding company is the ownership of stock of other companies, rather than the production of goods and services. A parent company may own other companies (subsidiaries) and may produce goods and services of its own.

Subsidiary Company

A company that is more than 50% owned by another company (the parent) and generally has a different business name from the parent.

Accredited Representative

Refer to NETA Policy NPM002 *NETA Accredited Representative*.

Test Technician

A Test Technician is defined as any individual whose primary responsibility is working in the field or in a test laboratory, including job titles such as mechanic, electrician, lab technician, engineer, or associate.

NETA Certified Technician/Level 3

Refer to *Profile of NETA Electrical Test Technicians*

Full-Time Test Technician

Full-Time Test Technician is defined as one having four weeks or more of continuous employment with the NETA Accredited Company. If continuous employment is less than four weeks, the technician is considered a part time employee and is not subject to dues and the reporting requirement.

NETA Testing Services

A NETA Accredited Company must perform electrical testing to at least 70 percent of the equipment listed in the Contents section of the most current editions of *NETA Acceptance Testing* and *NETA Maintenance Testing* specifications/standards. Such services must comprise 75 percent of the gross

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revenue generated by the applicant company. Associated corrective actions and other related services are included as part of the 75 percent requirement.

Corrective actions are defined as actions constituting the repair, replacement, or upgrading of the components listed in the Contents section of NETA ATS and MTS.

Related services are the performance of services that define work scope and are work related tasks associated with the items in the Contents section of NETA ATS and MTS.

Examples of corrective actions and related services include: apparatus insulating fluid maintenance and processing, 24-hour emergency service, maintenance program development, grounding studies, power quality studies, start-up and commissioning services related to transmission, generation and distribution systems, and similar activities/services. Refer to the Membership Application and related documents for additional examples.

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