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LETTER OF COMMENT NO.

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File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Northeast Utilities appreciates the opportunity to comment on the Proposed FASB Staff Position (FSP), "Recognition and Presentation of Other-Than-Temporary Impairments." We commend the FASB for its response to this significant accounting issue in a compressed time frame.

We wholly support the most significant provisions of the proposed FSP and believe that they make other-than-temporary impairment guidance in U.S. GAAP more operational. While we believe the separation of credit-related losses from non-credit-related losses may be challenging for some companies, we believe it will be effort well spent in that the end result will be a truer depiction of losses resulting from ownership of securities whose fair values have declined below cost. While we generally support the proposed presentation of other-than-temporary impairments in the financial statements, we believe that the proposed requirements for income statement presentation of realized and unrealized losses should be modified to more closely align with companies' current financial reporting presentation. We support and urge the FASB to move forward with its proposed timetable for finalizing and requiring adoption of the FSP in the first quarter of 2009.

Timetable for Adoption

We strongly believe that the FASB should finalize the guidance substantially as proposed and should adhere to its proposed timetable for implementation in the first quarter of 2009. We believe that reporting companies should implement this FSP in the first quarter and can work on improving processes to separate credit-related losses during 2009.

Financial Statement Presentation

Regarding presentation of other-than-temporary impairments, we agree with the principle that other-than-temporary impairments should be included in earnings or the "performance indicator," and we agree with the principle of presenting the total impairment, offset by the amount that is recognized in other comprehensive income. However, we believe that the proposed FSP should be modified to require this

presentation to be as prominent as investment gains and losses are currently presented, which could include presentation in the notes to the financial statements. We recommend the following changes to paragraph 16 of the proposed FSP:

Presentation

16. In periods in which a reporting entity determines that a security's decline in fair value below the amortized cost basis is other than temporary, the reporting entity shall present the total impairment in the statement of earnings (or in the "performance indicator") with an offset for the amount of the total impairment that is recognized in other comprehensive income (or outside the "performance indicator"), if any. This presentation shall be as prominent as the presentation of investment gains and losses.

Thank you for the opportunity to express our views. We hope that our comments on timetable and financial statement presentation are helpful. If you would like to discuss our comments, please feel free to contact me or Tim Griffin, Assistant Controller (860.665.2973), or Jane Knopf, Manager of Accounting Research (860.665.2035).

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