



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Completes Pleasants Power Station Environmental Project

GREENSBURG, Pa., March 19, 2008—Allegheny Energy (NYSE: AYE), today announced that it has completed a \$105 million construction project to reduce emissions at its 1,300-MW Pleasants Power Station located in Willow Island, W.Va.

The project, which began in 2005, will remove an additional 30,000 tons of sulfur dioxide (SO₂) emissions annually by sending 100 percent of the flue gases through the station's flue gas desulfurization equipment (scrubbers). Previously, 85 percent of the flue gases at Pleasants were scrubbed. The project is part of Allegheny's environmental stewardship initiative, which also includes installing scrubbers at its Fort Martin Power Station near Morgantown, W.Va., and Hatfield's Ferry Power Station near Pittsburgh, Pa. With the completion of these projects in 2009, Allegheny will reduce sulfur dioxide emissions by 70 percent from 2005 levels, transforming the company's power plant fleet into one of the cleanest in the United States with respect to sulfur dioxide.

"Our coal-fired plants are critical to the region's energy infrastructure and we are committed to operating them in an environmentally sound manner," stated Paul Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. "The completion of this project represents a major milestone in our initiative to improve air quality and reduce emissions."

The Pleasants project included installing new emissions monitoring equipment, fabricating new flue gas duct systems and constructing the new 640-foot tall chimney. In addition to reducing SO₂ emissions, scrubbing all of the Pleasants' flue gases will mitigate the periodic discharge of fly ash from the plant and reduce mercury emissions.

Allegheny Energy

Headquartered in Greensburg, Pa., Allegheny Energy is an investor-owned electric utility with total annual revenues of over \$3 billion and more than 4,000 employees. The company owns and operates generating facilities and delivers low-cost, reliable electric service to 1.6 million customers in Pennsylvania, West Virginia, Maryland and Virginia. For more information, visit our Web site at www.alleghenyenergy.com.

Forward-Looking Statements

In addition to historical information, this release contains a number of "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Words such as anticipate, expect, project, intend, plan, believe, and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These include statements with respect to: rate regulation and the status of retail generation service supply competition in states served by Allegheny Energy's distribution business,

Allegheny Power; financing plans; demand for energy and the cost and availability of raw materials, including coal; provider-of-last-resort and power supply contracts; results of litigation; results of operations; internal controls and procedures; capital expenditures; status and condition of plants and equipment; capacity purchase commitments; regulatory matters; and accounting issues. Forward-looking statements involve estimates, expectations and projections and, as a result, are subject to risks and uncertainties. There can be no assurance that actual results will not materially differ from expectations. Actual results have varied materially and unpredictably from past expectations. Factors that could cause actual results to differ materially include, among others, the following: plant performance and unplanned outages; changes in the price of power and fuel for electric generation; general economic and business conditions; changes in access to capital markets; complications or other factors that render it difficult or impossible to obtain necessary lender consents or regulatory authorizations on a timely basis; environmental regulations; the results of regulatory proceedings, including proceedings related to rates; changes in industry capacity, development and other activities by Allegheny Energy's competitors; changes in the weather and other natural phenomena; changes in customer switching behavior and their resulting effects on existing and future load requirements; changes in the underlying inputs and assumptions, including market conditions used to estimate the fair values of commodity contracts; changes in laws and regulations applicable to Allegheny Energy, its markets or its activities; the loss of any significant customers or suppliers; dependence on other electric transmission and gas transportation systems and their constraints or availability; changes in PJM, including changes to participant rules and tariffs; the effect of accounting policies issued periodically by accounting standard-setting bodies; and the continuing effects of global instability, terrorism and war. Additional risks and uncertainties are identified and discussed in Allegheny Energy's reports filed with the Securities and Exchange Commission.

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