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FOR IMMEDIATE RELEASE

Allegheny Energy Supply to Build 540 Megawatts of Generating Capacity

Hagerstown, Md., January 4, 2000 – The unregulated generating subsidiary of Allegheny Energy, Inc. (NYSE: AYE), Allegheny Energy Supply Company, LLC, announced today that it will add a \$235-million combined cycle generating plant with a capacity of 540 megawatts (MW) at Springdale, Allegheny County, Pa. This is the second addition of generation announced by Allegheny in recent months and brings the Company's total generating capacity to more than 9,600 MW.

The new facility will include two gas-fired combustion turbines and a steam turbine manufactured by Siemens Westinghouse. They will be known as Allegheny Energy Units 3, 4, and 5 and are expected to be operational and providing power for sale into competitive markets in 2003.

Two 44-MW simple-cycle gas combustion turbines that were already under construction at Springdale went into operation Dec. 1, 1999.

“The construction of Allegheny Energy Units 3, 4, and 5 allows us to continue on an aggressive course to achieve our goal of being a premier energy supplier in the United States,” said Alan J. Noia, Chairman, President, and Chief Executive Officer. “The addition of these units also helps diversify our fuel mix and meet the needs of a growing generation market as states deregulate,” added Noia.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company*, which operates and markets competitive retail and wholesale electric generation and operates regulated electric generation for its affiliates; and *Allegheny Ventures*, which actively invests in and develops energy-related and telecommunications projects. For more information, visit our web site at www.alleghenyenergy.com.

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