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FOR IMMEDIATE RELEASE

Allegheny Power files transition plan for Ohio customer choice

(Hagerstown, Md., Jan. 11, 2000) – Monongahela Power Company, which does business as Allegheny Power, has filed a competition transition plan with the Public Utilities Commission of Ohio (PUCO). The plan describes how Allegheny will comply with Ohio’s new customer choice law, which will allow consumers to choose the company that generates or supplies their electricity beginning on Jan. 1, 2001.

The law requires electric utilities serving Ohio to separate the supply of electricity from its delivery along power lines so the supply component can be opened to competition, and to itemize the prices for each component of electric service.

When customer choice begins in 2001, customers will be able to shop among various suppliers to choose the one that best satisfies their electricity needs.

Allegheny Power would continue to reliably deliver electricity to all of its Ohio customers, including those who choose another supplier, at regulated rates that will be capped through 2005. Allegheny’s prices for residential electric service are the lowest in Ohio. Customers who do not buy electricity from a different supplier would continue to receive the supply component of their electric service from Allegheny.

“The customer choice law essentially will place electricity in the same category as other goods and services,” said George Blankenship, Director, Competition Phase-In. “You might buy products from a variety of stores or businesses, but they could all be delivered by the same truck.”

The transition plan also addresses how Allegheny will separate its regulated delivery business from its non-regulated supply affiliate, and the operational support system necessary to make the transition to competition. It includes a plan to conduct both a statewide and a local education campaign to explain customer choice to consumers.

Allegheny is asking the PUCO to allow recovery of \$21.3 million in transition costs. These costs, for the most part, are already included in customer's bills and do not constitute new charges.

“Allegheny Power has gained valuable experience in the area of customer choice since Pennsylvania first launched a pilot program in 1997,” Blankenship said. “We are applying our experience in Pennsylvania to other states we serve including Maryland, which will begin customer choice this year. We look forward to sharing our experience, expertise, and the benefits of customer choice with our 28,000 Ohio customers, as well.”

The PUCO is expected to rule on Allegheny's plan by October.

Allegheny Power, an Allegheny Energy company, delivers low-cost, reliable energy to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia. For more information, check our web site at www.alleghenypower.com.

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