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FOR IMMEDIATE RELEASE

Allegheny Power's Maryland Customers To Receive Lower Bills

Hagerstown, Md., June 29, 2000 – Allegheny Power, the energy delivery company of Allegheny Energy, Inc. (NYSE: AYE), announced today that it will reduce bills for its Maryland customers starting July 1. The bill for a typical residential customer using 1,000 kilowatt-hours of electricity per month will decrease by more than \$9.

The reduction in bills is the result of cost savings achieved by Allegheny Power in managing its obligation under the federal *Public Utility Regulatory Policies Act of 1978 (PURPA)* to purchase power from qualified facilities. The Company further reduced its costs by successfully reselling the purchased power into the open energy market.

The savings will be passed on to customers through a reduction of the Cogeneration PURPA Surcharge. This charge is not new and has been included in previous bills. It will be shown as a separate line item on bills starting July 1 to accommodate the introduction of electric customer choice in Maryland.

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

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