



NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

**Allegheny Energy, Inc. Transfers 2,100 MW  
of Generating Assets to Non-Regulated Affiliate**

**Hagerstown, Md., August 2, 2000** – Allegheny Energy, Inc. (NYSE: AYE) announced today that it has transferred its Potomac Edison jurisdictional generating assets in Maryland, Virginia, and West Virginia to Allegheny Energy Supply Company, LLC - its non-regulated energy supply affiliate - at net book value. The Potomac Edison Company, which does business as Allegheny Power, is a subsidiary of Allegheny Energy.

The final approval of the transfer from the U.S. Securities and Exchange Commission (SEC) was received on August 1. With this transfer, Allegheny Energy Supply now has more than 6,200 MW of low-cost generating capacity to sell in the deregulated marketplace.

“We applaud the SEC’s decision as it allows us to advance our strategy of becoming a national energy supplier,” said Peter J. Skrgic, President, Allegheny Energy Supply. “Allegheny Energy Supply continues to make substantial progress in growing its portfolio of low-cost, unregulated generation to sell in competitive markets.”

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

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