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**FOR IMMEDIATE RELEASE**

**Allegheny Power completes acquisition of Mountaineer Gas Company**

**Greensburg, Pa., August 24, 2000** — Allegheny Power, the energy delivery business of Allegheny Energy, today announced that it has completed the acquisition of Mountaineer Gas Company (MGC), a wholly owned subsidiary of Energy Corporation of America, for \$323 million (which includes the assumption of \$100 million in debt).

“We are extremely pleased to announce the completion of this acquisition and look forward to continuing our commitment to West Virginia by serving 200,000 new customers,” said Jay S. Pifer, President of Allegheny Power. “Mountaineer Gas is a fine company with employees that share Allegheny’s values of providing quality customer service while offering low rates.”

“Today’s announcement represents the second significant acquisition completed by Allegheny Power in the past nine months,” said Jay S. Pifer, President of Allegheny Power. “It illustrates one component of our growth strategy—the expansion of our business. While we will continue to grow our revenues and achieve operational excellence, we believe that adding energy delivery operations increases our customer base and provides stable cash flow while at the same time diversifying our asset portfolio. As always, we remain focused on growing our earnings and providing consistent, attractive returns to our shareholders.”

With the acquisition of Mountaineer Gas, coupled with the recent acquisition of West Virginia Power, Allegheny Power now provides natural gas sales, transportation, and distribution services to more than 225,000 new customers throughout West Virginia. The transaction also includes Mountaineer Gas Services, a MGC subsidiary that operates natural gas producing properties, gas gathering facilities, and intrastate transmission pipelines, including approximately 375 wells in the Appalachian area.

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With the acquisition of MGC, West Virginia's largest natural gas provider and one of the lowest-cost suppliers in the state, Allegheny will expand its service territory to more than 31,000 square miles with a total customer base of more than 1.6 million. The purchase also provides Allegheny with 11.7 billion cubic feet of gas storage in a region where the Company currently provides energy services.

Allegheny Power will now provide either electric or gas service to all of West Virginia's 55 counties. Currently, the Allegheny companies operate six coal-burning power stations, a 24-hour state-of-the-art Customer Service Center, a Corporate Training Center, and 21 operating service centers, with approximately 2,000 employees working in the state. Allegheny has been part of the West Virginia business community for more than 100 years.

The Public Service Commission of West Virginia, the Department of Justice/Federal Trade Commission, and the Securities and Exchange Commission approved the transaction. Final regulatory approval was received on Aug. 11 and the closing occurred on Aug. 18.

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. Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. In addition to Allegheny Power, 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; and *Allegheny Ventures*, which actively invests in and develops energy-related and telecommunications projects. For more information, check our web site at [www.alleghenypower.com](http://www.alleghenypower.com).

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