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FOR IMMEDIATE RELEASE

Allegheny Energy Supply joins UGI in generation project
Companies will build 44-MW combustion turbine in eastern Pennsylvania

Greensburg, Pa., September 13, 2000 – Allegheny Energy Supply Company, LLC, the unregulated generating subsidiary of Allegheny Energy, Inc. (NYSE: AYE), and UGI Development, a subsidiary of UGI, Corp., announced today that they will expand and market generation output from facilities at UGI's Hunlock Creek generating station near Wilkes-Barre in eastern Pennsylvania. The venture will give Allegheny Energy Supply access to 46 megawatts (MW) of generating capacity to sell into the Pennsylvania-New Jersey-Maryland (PJM) market and will give the Company a total generating capacity of nearly 10,000 MW.

In addition to sharing the 48 megawatts (MW) of existing coal-fired generation at Hunlock Creek, Allegheny Energy will install a 44-MW natural gas-fired combustion turbine (CT) on property owned by UGI. Both UGI Development and Allegheny Energy Supply will jointly share in the combined output of the two units.

The CT to be installed at Hunlock Creek is one of five General Electric LM6000 units that Allegheny Energy Supply previously announced. Allegheny Energy Supply will be responsible for the construction of the Hunlock Creek CT, while UGI will operate the facility. The unit is expected to begin commercial operation by the end of 2000.

“Allegheny Energy Supply is pleased to be partnering with a quality company like UGI Development on the Hunlock Creek project,” said Peter J. Skrgic, President, Allegheny Energy Supply. “Not only does this project help us to grow and diversify our generation portfolio in keeping with our goal of becoming a national energy supplier, it also gives us access to more generation in the expanding PJM marketplace. We look forward to working with UGI Development on this project and to exploring additional opportunities to expand the Hunlock Creek site in the future.”

Earlier this year, Allegheny Energy Supply announced that it would purchase 50 percent of Potomac Electric Power Co.'s 166-MW share of the Conemaugh generating station near Johnstown, Pa., in partnership with PP&L Global, Inc., establishing the Company's initial generation foothold in PJM. The sale is expected to close in the fourth quarter of this year.

Allegheny Energy Supply, an Allegheny Energy Company, operates and markets competitive retail and wholesale electric generation throughout competitive markets in the eastern United States and operates regulated generation for its affiliates. For more information about Allegheny Energy Supply, visit our website at www.alleghenyenergysupply.com.