

**ALLEGHENY ENERGY EARNINGS**  
**THIRD QUARTER 2000**

Three months ended	September 30, 2000	2000	1999
Sales to regular utility customers, gigawatt-hours (Note 1)		11,097	11,150
Revenues (\$000) (Note 2)			
Regular Utility Customers		\$559,406	\$556,824
Other Utility Revenues		34,655	26,873
Gas Revenues		12,328	-
Unregulated Generation		450,445	156,393
Allegheny Ventures		1,624	1,269
Total (\$000)		<u>\$1,058,458</u>	<u>\$741,359</u>
Consolidated income (\$000)		<u>\$76,095</u>	<u>\$71,332</u>
Basic and diluted earnings per average share (Note 3)			
Consolidated earnings per share		<u>\$0.69</u>	<u>\$0.63</u>
Average common shares outstanding (000)		110,436	114,120
<b>Year to date</b>	<b>September 30, 2000</b>	<b>2000</b>	<b>1999</b>
Sales to regular utility customers, gigawatt-hours (Note 1)		33,753	32,794
Revenues (\$000) (Note 2)			
Regular Utility Customers		\$1,710,499	\$1,646,000
Other Utility Revenues		66,956	64,480
Gas Revenues		25,447	-
Unregulated Generation		977,998	358,927
Allegheny Ventures		9,671	5,343
Total (\$000)		<u>\$2,790,571</u>	<u>\$2,074,750</u>
Consolidated income before extraordinary and other transactions (\$000)		\$233,946	\$233,621
West Virginia extraordinary charge (Note 4)		(70,505)	-
Consolidated net income (\$000)		<u>\$163,441</u>	<u>\$233,621</u>
Basic and diluted earnings per average share (Note 3)			
Before extraordinary and other transactions		\$2.12	\$1.98
West Virginia extraordinary charge (Note 4)		(0.64)	-
Consolidated earnings per share		<u>\$1.48</u>	<u>\$1.98</u>
Average common shares outstanding (000)		110,436	118,192
<b>Twelve months ended</b>	<b>September 30, 2000</b>	<b>2000</b>	<b>1999</b>
Sales to regular utility customers, gigawatt-hours (Note 1)		44,803	43,401
Revenues (\$000) (Note 2)			
Regular Utility Customers		\$2,258,014	\$2,177,135
Other Utility Revenues		82,685	82,158
Gas Revenues		25,447	-
Unregulated Generation		1,139,441	379,253
Allegheny Ventures		18,675	12,911
Total (\$000)		<u>\$3,524,262</u>	<u>\$2,651,457</u>
Consolidated income before extraordinary and other transactions (\$000)		\$305,677	\$305,511
West Virginia, Maryland and Pennsylvania extraordinary charges (Note 4)		(87,455)	(9,980)
Reacquired debt extraordinary charge		(10,018)	-
Merger-related costs		(11,801)	-
Davis pumped-storage generation project costs		(8,160)	-
Pennsylvania settlement costs		-	(23,748)
Consolidated net income (\$000)		<u>\$188,243</u>	<u>\$271,783</u>
Basic and diluted earnings per average share (Note 3)			
Before extraordinary and other transactions		\$2.77	\$2.56
West Virginia, Maryland, and Pennsylvania extraordinary charges (Note 4)		(0.79)	(0.08)
Reacquired debt extraordinary charge		(0.09)	-
Merger-related costs		(0.11)	-
Davis pumped-storage generation project costs		(0.07)	-
Pennsylvania settlement costs		-	(0.20)
Consolidated earnings per share		<u>\$1.71</u>	<u>\$2.28</u>
Average common shares outstanding (000)		110,436	119,262

Note 1: Excludes bulk power transaction sales.

Note 2: Excludes intercompany sales between nonutility and utility.

Note 3: Basic and diluted earnings per share are the same.

Note 4: Costs after taxes determined to be unrecoverable as a result of deregulation proceedings in West Virginia, Maryland, and Pennsylvania.

**ALLEGHENY ENERGY HIGHLIGHTS**

**September 30, 2000**

<u>Third Quarter</u>	2000	1999	Incr. (Decr.)
<u>Revenue from Regular Utility Customers (\$ millions)</u>			
Residential	\$220	\$238	-7.6%
Commercial	135	130	3.8%
Industrial	188	177	6.2%
Wholesale and Other	16	12	33.3%
Total Regular Utility Transactions	\$559	\$557	0.4%
Revenue from Other Utility Transactions (\$ millions) (Note 1)	\$35	\$27	29.6%
Gas Revenues (\$ millions)	\$12	\$0	
Unregulated Generation (\$ millions) (Note 1)	\$450	\$156	188.5%
Allegheny Ventures (\$ millions) (Note 1)	\$2	\$1	100.0%
<u>Sales to Regular Utility Customers (gigawatt-hours)</u>			
Residential	3,227	3,497	-7.7%
Commercial	2,467	2,380	3.7%
Industrial	5,027	4,877	3.1%
Wholesale and Other	376	396	-5.1%
Total Regular Utility Transactions	11,097	11,150	-0.5%
Other Operation and Maintenance (\$ millions) *	\$140	\$144	-2.8%
<u>Year to Date</u>			
<u>Revenue from Regular Utility Customers (\$ millions)</u>			
Residential	\$713	\$705	1.0%
Commercial	396	376	5.3%
Industrial	555	533	4.1%
Wholesale and Other	47	32	46.9%
Total Regular Utility Transactions	\$1,711	\$1,646	3.9%
Revenue from Other Utility Transactions (\$ millions) (Note 1)	\$67	\$64	4.7%
Gas Revenues (\$ millions)	\$25	\$0	
Unregulated Generation (\$ millions) (Note 1)	\$978	\$359	172.4%
Allegheny Ventures (\$ millions) (Note 1)	\$10	\$5	100.0%
<u>Sales to Regular Utility Customers (gigawatt-hours)</u>			
Residential	10,300	10,313	-0.1%
Commercial	7,104	6,729	5.6%
Industrial	15,213	14,638	3.9%
Wholesale and Other	1,136	1,114	2.0%
Total Regular Utility Transactions	33,753	32,794	2.9%
Other Operation and Maintenance (\$ millions) *	\$430	\$425	1.2%
<u>Twelve Months Ended</u>			
<u>Revenue from Regular Utility Customers (\$ millions)</u>			
Residential	\$938	\$918	2.2%
Commercial	521	496	5.1%
Industrial	742	717	3.5%
Wholesale and Other	57	47	21.3%
Total Regular Utility Transactions	\$2,258	\$2,178	3.7%
Revenue from Other Utility Transactions (\$ millions) (Note 1)	\$83	\$82	1.2%
Gas Revenues (\$ millions)	\$25	\$0	
Unregulated Generation (\$ millions) (Note 1)	\$1,139	\$379	200.5%
Allegheny Ventures (\$ millions) (Note 1)	\$19	\$13	46.2%
<u>Sales to Regular Utility Customers (gigawatt-hours)</u>			
Residential	13,549	13,541	0.1%
Commercial	9,332	8,849	5.5%
Industrial	20,422	19,556	4.4%
Wholesale and Other	1,500	1,455	3.1%
Total Regular Utility Transactions	44,803	43,401	3.2%
Other Operation and Maintenance (\$ millions) *	\$616	\$583	5.7%

\* Other operation and maintenance excludes fuel, purchased power costs, and transmission by others. Amounts for the twelve months ended September 2000 include \$19.7 million merger-related costs and \$16.2 million related to the Davis pumped-storage generation project. Amounts for year to date September 1999 include \$5.0 million for MidAtlantic Energy litigation settlement costs. Amounts for the twelve months ended September 1999 include \$21.3 million for Pennsylvania settlement costs and MidAtlantic Energy litigation settlement costs.

Note 1: Excludes intercompany sales between nonutility and utility.

**ALLEGHENY ENERGY EARNINGS COMPARISON**

**(Dollars per Share)**

**September 2000 versus September 1999**

	<u>Quarter</u>	<u>Year-to-Date</u>
<u>2000</u>		
Utility EPS	\$0.571	\$1.724
Nonutility EPS:		
Unregulated Generation	0.113	0.379
Allegheny Ventures	0.005	0.015
Extraordinary Charge	<u>(0.000)</u>	<u>(0.638)</u>
Reported EPS	<u>0.689</u>	<u>1.480</u>
<u>1999</u>		
Utility EPS	0.461	1.665
Nonutility EPS:		
Unregulated Generation	0.161	0.322
Allegheny Ventures (AYP Capital)	0.003	(0.010)
Extraordinary Charge	<u>0.000</u>	<u>0.000</u>
Reported EPS	<u>0.625</u>	<u>1.977</u>
Variance (2000 Reported EPS less 1999 Reported EPS)	<u>\$0.064</u>	<u>(\$0.497)</u>
<u>Variance Reconciliation *</u>		
Net Revenues:		
Sales and Deliveries:		
Number of Customers	\$0.023	\$0.039
Weather	(0.050)	(0.045)
Usage/Cost of Energy	0.024	0.082
Pennsylvania CTC True-Up Accrued	0.020	(0.040)
West Virginia Power Acquisition	0.025	0.094
Mountaineer Gas Acquisition	0.031	0.031
Other Revenues	<u>(0.004)</u>	<u>0.006</u>
Total Net Revenues Variance **	0.069	0.167
Operation & Maintenance:		
Production	0.009	(0.013)
Transmission and Distribution	(0.027)	(0.025)
Customer Accounting and Services	(0.005)	0.010
Administrative and General	<u>0.015</u>	<u>(0.034)</u>
Total Operation & Maintenance Variance	(0.008)	(0.062)
Other:		
Depreciation	0.036	0.039
Taxes other than Income Taxes	(0.051)	(0.088)
Other Income	0.009	0.052
Interest Costs	(0.080)	(0.208)
Preferred Dividends of Subsidiaries	0.031	0.016
Redemption Premium on Preferred Stock	0.004	0.032
Repurchase of Shares	0.022	0.139
Income Tax	0.049	0.055
All Other	<u>(0.019)</u>	<u>(0.026)</u>
Total Other Variance	0.001	0.011
Allegheny Ventures Variance	0.002	0.025
Total EPS Variance before Extraordinary Charge	0.064	0.141
Extraordinary Charge	0.000	(0.638)
Total EPS Variance	<u>\$0.064</u>	<u>(\$0.497)</u>

\* For comparative purposes, unregulated generation is reflected in the various categories

\*\* Revenues less fuel, purchased power costs and transmission by others.

10/24/00 4:43 PM

**ALLEGHENY ENERGY SALES COMPARISON**  
**Gigawatt-Hours**  
**September 2000 versus September 1999**

	Third Quarter <u>2000</u>	Third Quarter <u>1999</u>	<u>% Change</u>	Year-to Date <u>2000</u>	Year-to Date <u>1999</u>	<u>% Change</u>
Monongahela Power	2,942	2,836	3.7%	8,791	8,189	7.4%
Potomac Edison	3,404	3,472	-2.0%	10,500	10,372	1.2%
West Penn Power	4,751	4,842	-1.9%	14,462	14,233	1.6%
Regular Utility Transaction	<u>11,097</u>	<u>11,150</u>	<u>-0.5%</u>	<u>33,753</u>	<u>32,794</u>	<u>2.9%</u>
Unregulated Generation	10,257	3,344	206.7%	27,588	9,588	187.7%