



Contacts:

Allen Stagers
Allegheny Power
724-830-5433

FOR IMMEDIATE RELEASE

Cynthia Taylor
PJM Interconnection, LLC
610-666-8852

Allegheny Power and PJM File with FERC to Create PJM West

Greensburg, Pa., and Norristown, Pa., March 15, 2001—Allegheny Power, the energy delivery business of Allegheny Energy, Inc. (NYSE: AYE), and PJM Interconnection, LLC, announced today the filing of documents with the Federal Energy Regulatory Commission (FERC) to expand PJM through the creation PJM West. The filing represents collaboration between Allegheny Power, PJM, and numerous stakeholders. Allegheny and PJM have requested in the filing that FERC approve the proposal by June 15, 2001, affirming that the PJM West arrangement meets all FERC Order 2000 requirements.

PJM West will develop a new electric transmission system affiliation which will expand the Mid-Atlantic energy market. Customers in the region will benefit from the expanded energy market and enhancements to the transmission system's reliability. Through this affiliation, PJM will expand its regional scope and demonstrate the ability of its energy market and congestion management systems to function over multiple control areas and under multiple Regional Reliability Council reliability standards. The PJM West arrangement is open to, and structured to accommodate, additional energy delivery participants.

“The implementation of PJM West is a significant event with important implications for the region's energy customers,” said Jay S. Pifer, President of Allegheny Power. “PJM is recognized as the most successful independent system operator in the world and customers will benefit from the PJM West arrangement through enhanced reliability and expanded wholesale and retail energy markets.”

PJM West will provide transmission service to all market participants in accordance with the requirements of FERC Order 2000, while simultaneously expanding the PJM market. The arrangement will, for the first time, expand the PJM system management concepts beyond a single control area with the potential to result in a significantly larger energy market. Companies joining this alliance will benefit from the success of PJM markets and operational experience while having the ability to pursue the development of a for-profit transmission company.

“We are pleased to complete this valuable next step in the resolution of seams issues by expanding the PJM marketplace,” stated Phillip G. Harris, President of PJM. “Standardization of the competitive marketplace will create value for the participants and stakeholders while continuing the extremely high levels of reliability that each of our regions has experienced.”

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Allegheny Power/PJM Interconnection
Page two

The timeline set out in the filing calls for implementation by January 1, 2002. Under the PJM West concept, an office would be created and staffed and the PJM West Transmission Owners would transfer monitoring and functional control of their transmission systems to PJM. Additionally, the existing PJM regional market would be expanded to cover the PJM West operating territory.

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 www.alleghenypower.com.

The PJM Interconnection, LLC, is an Independent System Operator, administering the PJM Open Access Transmission Tariff and operating the PJM Energy Market and Capacity Markets. PJM currently administers the largest wholesale electricity market in the world with a membership of more than 200.

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