



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Closes Common Stock Offering

Hagerstown, Md., May 2, 2001 – Allegheny Energy, Inc. (NYSE: AYE) today announced that it has closed the public offering of its common stock, selling a total of 14.26 million shares. This total includes an over-allotment of 1.86 million shares, which the underwriters exercised their option to purchase.

Net proceeds from the offering and the over-allotment totaled approximately \$667 million, which will be used to fund the Company's announced acquisition of generating facilities in the Midwest and for other corporate purposes. The total offering, which was announced in April, was priced at \$48.25 per share.

Alan J. Noia, Chairman of the Board, President, and Chief Executive Officer, said, "We are very pleased with the successful completion of the sale of our common stock. We've experienced strong demand for our stock and the price per share is near record-high levels. These are clear indicators that our growth strategy is working. We are gaining recognition as a major force in the growing national energy market and are continuing to increase shareholder value."

Allegheny Energy's common stock is listed on the New York Stock Exchange, the Chicago Stock Exchange, and the Pacific Exchange.

Goldman, Sachs & Co. and Merrill Lynch & Co. jointly led the public offering. A copy of the final prospectus for this offering may be obtained from the offices of Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004, or by contacting Allegheny Energy, Inc., Cynthia A. Shoop, Vice President, Corporate Communications, 10435 Downsview Pike, Hagerstown, MD 21740, or, by e-mail, at cshoop@alleghenyenergy.com.

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Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *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 telecommunications and energy-related projects. For more information, visit our web site at www.alleghenyenergy.com.

Certain statements within constitute forward-looking statements with respect to Allegheny Energy, Inc. ("AYE" or the "Company"). Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of AYE to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors may affect AYE's operations, markets, products, services, and prices. Such factors include, among others, the following: weather and natural phenomena; general and economic and business conditions; industry capacity; changes in technology; changes in political, social, and economic conditions; changes in the price of electricity and gas; changes in environmental and other laws; regulatory matters; litigation involving AYE; regulatory conditions applicable to AYE; the loss of any significant customers; and changes in business strategy or development plans.