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FOR IMMEDIATE RELEASE

Allegheny Power breaks ground for new service center in Mt. Airy, Maryland

Greensburg, Pa., May 7, 2001--Allegheny Power, the energy delivery business of Allegheny Energy, Inc. (NYSE: AYE), announced today that it has started construction of a new service center in Mt. Airy, Md. The service center, located near the intersection of I-70 and Maryland Route 27 in the Twin Arch East Business Center, will serve customers in eastern Frederick County, as well as customers in Carroll, Howard, and Montgomery counties.

“We are excited about the construction of this new facility,” said Jay S. Pifer, President of Allegheny Power. “We are always searching for ways to become more efficient and, at the same time, to provide better service. This region is growing rapidly, and the location of the new service center will enable us to decrease our response time and more efficiently serve the needs of our customers.”

The new service center will be functional and efficient, reflecting Allegheny Power’s operating philosophy. The building is a one-story, 16,740 square-foot structure located on a 5.471-acre lot. The developed site will consist of an entrance road with security access, outside material storage, and staff parking. Approximately 35 employees will be assigned to the new Mt. Airy facility. The staff will consist of lines workers, servicemen, engineering designers, administrative assistants, and operations managers. Construction is expected to be complete by December 2001.

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 our web site at www.alleghenypower.com.

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