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FOR IMMEDIATE RELEASE

***At Annual Meeting of Shareholders, Allegheny Energy, Inc. Chairman renews
commitment to growing shareholder value***

New York, N.Y., May 10, 2001 – Alan J. Noia, Chairman of the Board, President, and Chief Executive Officer of Allegheny Energy, Inc. (NYSE: **AYE**), said today that the Company has advanced from Main Street to Wall Street, executing its strategy to capture value for its shareholders and continue its success as a national energy merchant.

With record earnings and a nearly 80 percent increase in the Company's stock price, the year 2000 "was one of true transformation for Allegheny Energy, and 2001 is already shaping up to be yet another year of continued growth and accomplishment," Noia said at the Company's 2001 *Annual Meeting of Shareholders*.

Highlights of the past year and early 2001 include:

- The purchase of Allegheny Energy Global Markets, a nationally recognized energy commodity trading business, which vaulted the Company into the upper echelon of national energy marketing and trading operations;
- Record net income for 2000 of \$2.84 per share, or \$313.7 million, before extraordinary charges, which was eight percent higher than that of the previous year;
- An increase of nearly 80 percent in Allegheny Energy's stock price, placing the performance of the Company in the top 10 of its peer companies in the Dow Jones Electric Utilities Index;
- Expansion of Allegheny Energy's generating fleet by more than 50 percent and 4,287 megawatts (MW) in growing areas of the United States, with plans in place to own or control more than 14,400 MW by 2005;
- Successful integration of new natural gas acquisitions and the addition of 250,000 new gas customers in the regulated energy delivery business;
- Growth in our unregulated businesses, which contributed positive net income of \$2 million after less than two years of operation; and
- Inclusion in the *Fortune* 500 list, the Standard & Poor's 500, the *Barron's* 500, and the *Forbes* "Platinum 400" list of America's top performing companies.

"The year 2000 was a pivotal one for Allegheny Energy," Noia said. "Never before in our Company's history have we achieved so much."

According to Noia, Allegheny Energy owes its successful transformation from a regional electric utility to a national marketer of energy and energy services to the Company's adherence to a solid strategy for growth.

“We have not deviated from this strategy and it has served us well,” he explained. “Simply put, our strategy is to transform our energy supply business into a national energy merchant; expand our energy delivery business; and add a new dimension of earnings growth through a ventures business that creates opportunities related to our core business.”

Turning his attention to 2001, Noia said Allegheny Energy performed very strongly during the first quarter, achieving earnings of \$.91 per share – an increase of 17 percent over earnings from the previous year. The acquisition of Allegheny Energy Global Markets brought to Allegheny “a team of experienced financial and fuel trading and risk management professionals to blend with our skilled regional electricity traders and a book of business that started paying dividends on day one.”

Last month, the Company announced the closing of the sale of 14.26 million shares of common stock, which netted \$667 million in proceeds. The day after the stock sale closed, Allegheny Energy completed the purchase of three Midwestern generating plants that have a combined generating capacity of 1,710 MW.

“These units (in Indiana, Illinois, and Tennessee) have been quickly integrated into our system and are ready to take advantage of opportunities in the marketplace in the coming months and years,” Noia said. “This latest acquisition of generating assets brings our total generating capacity, both owned and controlled, to nearly 11,900 MW. Other announced projects will give us more than 14,400 MW by 2005, strategically positioned across the United States. The skillful integration of these assets with the energy trading expertise of Allegheny Energy Global Markets has created a winning combination for the shareholders of our Company.

“Our enthusiasm for the future of our changing industry and our place within it are great,” he concluded. “You will see more good things from Allegheny Energy in the coming months.”

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. We have been named to the *Fortune* 500 list, the Standard and Poor’s 500 index, and the *Forbes* “Platinum 400” list. 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.